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ARTICLE 7

CHILDREN AND FAMILIES

Section 1. Minnesota Statutes 2016, section 13.32, is amended by adding a subdivision to read:

Subd. 12. **Access by welfare system.** County personnel in the welfare system may request access to education data in order to coordinate services for a student or family. The request must be submitted to the chief administrative officer of the school and must include the basis for the request and a description of the information that is requested. The chief administrative officer must provide a copy of the request to the parent or legal guardian of the student who is the subject of the request, along with a form the parent or legal guardian may execute to consent to the release of specified information to the requester. Education data may be released under this subdivision only if the parent or legal guardian gives informed consent to the release.

Sec. 2. Minnesota Statutes 2016, section 13.46, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "Individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including, but not limited to, Native American tribe programs that provide a service component of the welfare system, the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program, temporary assistance for needy families program, medical assistance, general assistance, general assistance medical care formerly codified in chapter 256D, child care assistance program, and child support collections.

(c) "Welfare system" includes the Department of Human Services, local social services agencies, county welfare agencies, county public health agencies, county veteran services agencies, county housing agencies, private licensing agencies, the public authority responsible for child support enforcement, human services boards, community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and developmental disabilities, Native American tribes to the extent a tribe provides a service component of the welfare system, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

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198.8

ARTICLE 4

CHILDREN AND FAMILIES

- 231.8 (d) "Mental health data" means data on individual clients and patients of community
231.9 mental health centers, established under section 245.62, mental health divisions of counties
231.10 and other providers under contract to deliver mental health services, or the ombudsman for
231.11 mental health and developmental disabilities.
- 231.12 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
231.13 escaped from confinement or violated the terms of probation or parole for that offense.
- 231.14 (f) "Private licensing agency" means an agency licensed by the commissioner of human
231.15 services under chapter 245A to perform the duties under section 245A.16.
- 231.16 Sec. 3. Minnesota Statutes 2016, section 13.46, subdivision 2, is amended to read:
- 231.17 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
231.18 by the welfare system are private data on individuals, and shall not be disclosed except:
- 231.19 (1) according to section 13.05;
- 231.20 (2) according to court order;
- 231.21 (3) according to a statute specifically authorizing access to the private data;
- 231.22 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
231.23 the state, or the federal government, including a law enforcement person or attorney in the
231.24 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
231.25 administration of a program;
- 231.26 (5) to personnel of the welfare system who require the data to verify an individual's
231.27 identity; determine eligibility, amount of assistance, and the need to provide services to an
231.28 individual or family across programs; coordinate services for an individual or family;
231.29 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
231.30 suspected fraud;
- 231.31 (6) to administer federal funds or programs;
- 231.32 (7) between personnel of the welfare system working in the same program;
- 232.1 (8) to the Department of Revenue to assess parental contribution amounts for purposes
232.2 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
232.3 and to identify individuals who may benefit from these programs. The following information
232.4 may be disclosed under this paragraph: an individual's and their dependent's names, dates
232.5 of birth, Social Security numbers, income, addresses, and other data as required, upon

232.6 request by the Department of Revenue. Disclosures by the commissioner of revenue to the
232.7 commissioner of human services for the purposes described in this clause are governed by
232.8 section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited
232.9 to, the dependent care credit under section 290.067, the Minnesota working family credit
232.10 under section 290.0671, the property tax refund and rental credit under section 290A.04,
232.11 and the Minnesota education credit under section 290.0674;

232.12 (9) between the Department of Human Services, the Department of Employment and
232.13 Economic Development, and when applicable, the Department of Education, for the following
232.14 purposes:

232.15 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
232.16 employment or training program administered, supervised, or certified by that agency;

232.17 (ii) to administer any rehabilitation program or child care assistance program, whether
232.18 alone or in conjunction with the welfare system;

232.19 (iii) to monitor and evaluate the Minnesota family investment program or the child care
232.20 assistance program by exchanging data on recipients and former recipients of food support,
232.21 cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter
232.22 119B, medical programs under chapter 256B or 256L, or a medical program formerly
232.23 codified under chapter 256D; and

232.24 (iv) to analyze public assistance employment services and program utilization, cost,
232.25 effectiveness, and outcomes as implemented under the authority established in Title II,
232.26 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
232.27 Health records governed by sections 144.291 to 144.298 and "protected health information"
232.28 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
232.29 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
232.30 information, must not be exchanged under this clause;

232.31 (10) to appropriate parties in connection with an emergency if knowledge of the
232.32 information is necessary to protect the health or safety of the individual or other individuals
232.33 or persons;

233.1 (11) data maintained by residential programs as defined in section 245A.02 may be
233.2 disclosed to the protection and advocacy system established in this state according to Part
233.3 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
233.4 disabilities or other related conditions who live in residential facilities for these persons if
233.5 the protection and advocacy system receives a complaint by or on behalf of that person and
233.6 the person does not have a legal guardian or the state or a designee of the state is the legal
233.7 guardian of the person;

233.8 (12) to the county medical examiner or the county coroner for identifying or locating
233.9 relatives or friends of a deceased person;

233.10 (13) data on a child support obligor who makes payments to the public agency may be
233.11 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
233.12 eligibility under section 136A.121, subdivision 2, clause (5);

233.13 (14) participant Social Security numbers and names collected by the telephone assistance
233.14 program may be disclosed to the Department of Revenue to conduct an electronic data
233.15 match with the property tax refund database to determine eligibility under section 237.70,
233.16 subdivision 4a;

233.17 (15) the current address of a Minnesota family investment program participant may be
233.18 disclosed to law enforcement officers who provide the name of the participant and notify
233.19 the agency that:

233.20 (i) the participant:

233.21 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
233.22 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
233.23 jurisdiction from which the individual is fleeing; or

233.24 (B) is violating a condition of probation or parole imposed under state or federal law;

233.25 (ii) the location or apprehension of the felon is within the law enforcement officer's
233.26 official duties; and

233.27 (iii) the request is made in writing and in the proper exercise of those duties;

233.28 (16) the current address of a recipient of general assistance may be disclosed to probation
233.29 officers and corrections agents who are supervising the recipient and to law enforcement
233.30 officers who are investigating the recipient in connection with a felony level offense;

233.31 (17) information obtained from food support applicant or recipient households may be
233.32 disclosed to local, state, or federal law enforcement officials, upon their written request, for
234.1 the purpose of investigating an alleged violation of the Food Stamp Act, according to Code
234.2 of Federal Regulations, title 7, section 272.1(c);

234.3 (18) the address, Social Security number, and, if available, photograph of any member
234.4 of a household receiving food support shall be made available, on request, to a local, state,
234.5 or federal law enforcement officer if the officer furnishes the agency with the name of the
234.6 member and notifies the agency that:

234.7 (i) the member:

234.8 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
234.9 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

234.10 (B) is violating a condition of probation or parole imposed under state or federal law;
234.11 or

234.12 (C) has information that is necessary for the officer to conduct an official duty related
234.13 to conduct described in subitem (A) or (B);

234.14 (ii) locating or apprehending the member is within the officer's official duties; and

234.15 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

234.16 (19) the current address of a recipient of Minnesota family investment program, general
234.17 assistance, or food support may be disclosed to law enforcement officers who, in writing,
234.18 provide the name of the recipient and notify the agency that the recipient is a person required
234.19 to register under section 243.166, but is not residing at the address at which the recipient is
234.20 registered under section 243.166;

234.21 (20) certain information regarding child support obligors who are in arrears may be
234.22 made public according to section 518A.74;

234.23 (21) data on child support payments made by a child support obligor and data on the
234.24 distribution of those payments excluding identifying information on obligees may be
234.25 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
234.26 actions undertaken by the public authority, the status of those actions, and data on the income
234.27 of the obligor or obligee may be disclosed to the other party;

234.28 (22) data in the work reporting system may be disclosed under section 256.998,
234.29 subdivision 7;

234.30 (23) to the Department of Education for the purpose of matching Department of Education
234.31 student data with public assistance data to determine students eligible for free and
234.32 reduced-price meals, meal supplements, and free milk according to United States Code,
235.1 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
235.2 funds that are distributed based on income of the student's family; and to verify receipt of
235.3 energy assistance for the telephone assistance plan;

235.4 (24) the current address and telephone number of program recipients and emergency
235.5 contacts may be released to the commissioner of health or a community health board as

- 235.6 defined in section 145A.02, subdivision 5, when the commissioner or community health
235.7 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
235.8 or at risk of illness, and the data are necessary to locate the person;
- 235.9 (25) to other state agencies, statewide systems, and political subdivisions of this state,
235.10 including the attorney general, and agencies of other states, interstate information networks,
235.11 federal agencies, and other entities as required by federal regulation or law for the
235.12 administration of the child support enforcement program;
- 235.13 (26) to personnel of public assistance programs as defined in section 256.741, for access
235.14 to the child support system database for the purpose of administration, including monitoring
235.15 and evaluation of those public assistance programs;
- 235.16 (27) to monitor and evaluate the Minnesota family investment program by exchanging
235.17 data between the Departments of Human Services and Education, on recipients and former
235.18 recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child
235.19 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
235.20 medical program formerly codified under chapter 256D;
- 235.21 (28) to evaluate child support program performance and to identify and prevent fraud
235.22 in the child support program by exchanging data between the Department of Human Services,
235.23 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
235.24 without regard to the limitation of use in paragraph (c), Department of Health, Department
235.25 of Employment and Economic Development, and other state agencies as is reasonably
235.26 necessary to perform these functions;
- 235.27 (29) counties operating child care assistance programs under chapter 119B may
235.28 disseminate data on program participants, applicants, and providers to the commissioner of
235.29 education;
- 235.30 (30) child support data on the child, the parents, and relatives of the child may be
235.31 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
235.32 Security Act, as authorized by federal law; ~~or~~
- 236.1 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
236.2 necessary to coordinate services;
- 236.3 (32) to the chief administrative officer of a school to coordinate services for a student
236.4 and family; data that may be disclosed under this clause are limited to name, date of birth,
236.5 gender, and address; or

- 236.6 (33) to county correctional agencies to the extent necessary to coordinate services and
236.7 diversion programs; data that may be disclosed under this clause are limited to name, client
236.8 demographics, program, case status, and county worker information.
- 236.9 (b) Information on persons who have been treated for drug or alcohol abuse may only
236.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
236.11 2.1 to 2.67.
- 236.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
236.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
236.14 nonpublic while the investigation is active. The data are private after the investigation
236.15 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).
- 236.16 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
236.17 not subject to the access provisions of subdivision 10, paragraph (b).
- 236.18 For the purposes of this subdivision, a request will be deemed to be made in writing if
236.19 made through a computer interface system.
- 236.20 Sec. 4. Minnesota Statutes 2016, section 13.84, subdivision 5, is amended to read:
- 236.21 Subd. 5. **Disclosure.** Private or confidential court services data shall not be disclosed
236.22 except:
- 236.23 (a) pursuant to section 13.05;
- 236.24 (b) pursuant to a statute specifically authorizing disclosure of court services data;
- 236.25 (c) with the written permission of the source of confidential data;
- 236.26 (d) to the court services department, parole or probation authority or state or local
236.27 correctional agency or facility having statutorily granted supervision over the individual
236.28 subject of the data, or to county personnel within the welfare system;
- 236.29 (e) pursuant to subdivision 6;
- 236.30 (f) pursuant to a valid court order; or
- 236.31 (g) pursuant to section 611A.06, subdivision 3a.

237.1 Sec. 5. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
237.2 to read:

237.3 Subd. 15b. **Law enforcement authority.** "Law enforcement authority" means a
237.4 government agency or department within or outside Minnesota with jurisdiction to investigate
237.5 or bring a civil or criminal action against a child care provider, including a county, city, or
237.6 district attorney's office, the Attorney General's Office, a human services agency, a United
237.7 States attorney's office, or a law enforcement agency.

237.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

237.9 Sec. 6. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
237.10 to read:

237.11 Subd. 19c. **Stop payment.** "Stop payment" means canceling a payment that was already
237.12 issued to a provider.

237.13 **EFFECTIVE DATE.** This section is effective July 1, 2017.

237.14 Sec. 7. Minnesota Statutes 2016, section 119B.02, subdivision 5, is amended to read:

237.15 Subd. 5. **Program integrity.** For child care assistance programs under this chapter, the
237.16 commissioner shall enforce the requirements for program integrity and fraud prevention
237.17 investigations under sections 256.046, 256.98, and 256.983 and chapter 245E.

237.18 **EFFECTIVE DATE.** This section is effective July 1, 2017.

198.9 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
198.10 to read:

198.11 Subd. 12a. **Enforcement authority.** "Enforcement authority" means a government
198.12 agency or department within or outside Minnesota with jurisdiction to investigate or bring
198.13 a civil or criminal action against a child care provider, including a county, city, or district
198.14 attorney's office, the Office of the Attorney General, a human services agency, a United
198.15 States attorney's office, or a law enforcement agency.

198.16 **EFFECTIVE DATE.** This section is effective July 1, 2017.

198.17 Sec. 2. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
198.18 to read:

198.19 Subd. 19c. **Stop payment.** "Stop payment" means canceling a payment that was already
198.20 issued to a provider.

198.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

198.22 Sec. 3. Minnesota Statutes 2016, section 119B.02, subdivision 5, is amended to read:

198.23 Subd. 5. **Program integrity.** For child care assistance programs under this chapter, the
198.24 commissioner shall enforce the requirements for program integrity and fraud prevention
198.25 investigations under sections 256.046, 256.98, and 256.983 and chapter 245E.

198.26 **EFFECTIVE DATE.** This section is effective July 1, 2017.

199.1 Sec. 4. Minnesota Statutes 2016, section 119B.03, subdivision 4, is amended to read:

199.2 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
199.3 sliding fee program must be given to eligible non-MFIP families who do not have a high
199.4 school or general equivalency diploma or who need remedial and basic skill courses in order
199.5 to pursue employment or to pursue education leading to employment and who need child
199.6 care assistance to participate in the education program. This includes student parents as
199.7 defined under section 119B.011, subdivision 19b. Within this priority, the following
199.8 subpriorities must be used:

199.9 (1) child care needs of minor parents;

199.10 (2) child care needs of parents under 21 years of age; and

199.11 (3) child care needs of other parents within the priority group described in this paragraph.

199.12 (b) Second priority must be given to parents who have completed their MFIP or DWP
199.13 transition year, or parents who are no longer receiving or eligible for diversionary work
199.14 program supports.

199.15 (e) Third priority must be given to families who are eligible for portable basic sliding
199.16 fee assistance through the portability pool under subdivision 9.

199.17 ~~(d) Fourth~~ (c) Third priority must be given to families in which at least one parent is a
199.18 veteran as defined under section 197.447.

199.19 (d) Fourth priority must be given to eligible families who do not meet the specifications
199.20 of paragraph (a), (b), (c), or (e).

199.21 (e) Fifth priority must be given to eligible families receiving services under section
199.22 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
199.23 year, or the parents are no longer receiving or eligible for DWP supports.

199.24 ~~(e) (f)~~ Families under paragraph ~~(b) (c)~~ must be added to the basic sliding fee waiting
199.25 list on the date they begin the transition year under section 119B.011, subdivision 20, and
199.26 must be moved into the basic sliding fee program as soon as possible after they complete
199.27 their transition year.

199.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

199.29 Sec. 5. Minnesota Statutes 2016, section 119B.03, subdivision 6, is amended to read:

199.30 Subd. 6. **Allocation formula.** The allocation component of basic sliding fee state and
199.31 federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in
200.1 amounts equal to each county's guaranteed floor according to subdivision 8, with any
200.2 remaining available funds allocated according to the following formula:

200.3 (a) One-fourth of the funds shall be allocated in proportion to each county's total
200.4 expenditures for the basic sliding fee child care program reported during the most recent
200.5 fiscal year completed at the time of the notice of allocation.

200.6 (b) Up to one-fourth of the funds shall be allocated in proportion to the number of families
200.7 participating in the transition year child care program as reported during and averaged over
200.8 the most recent six months completed at the time of the notice of allocation. Funds in excess
200.9 of the amount necessary to serve all families in this category shall be allocated according
200.10 to paragraph ~~(f) (e)~~.

200.11 ~~(e) Up to one-fourth of the funds shall be allocated in proportion to the average of each~~
200.12 ~~county's most recent six months of reported first, second, and third priority waiting list as~~
200.13 ~~defined in subdivision 2 and the reinstatement list of those families whose assistance was~~
200.14 ~~terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183,~~
200.15 ~~subpart 1. Funds in excess of the amount necessary to serve all families in this category~~
200.16 ~~shall be allocated according to paragraph (f).~~

200.17 ~~(d)~~ (c) Up to one-fourth one-half of the funds shall be allocated in proportion to the
200.18 average of each county's most recent six 12 months of reported waiting list as defined in
200.19 subdivision 2 and the reinstatement list of those families whose assistance was terminated
200.20 with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1.
200.21 Funds in excess of the amount necessary to serve all families in this category shall be
200.22 allocated according to paragraph (f) (e).

200.23 ~~(e)~~ (d) The amount necessary to serve all families in paragraphs (b), (e), and (d) (c) shall
200.24 be calculated based on the basic sliding fee average cost of care per family in the county
200.25 with the highest cost in the most recently completed calendar year.

200.26 ~~(f) (e)~~ Funds in excess of the amount necessary to serve all families in paragraphs (b),
200.27 (e), and (d) (c) shall be allocated in proportion to each county's total expenditures for the
200.28 basic sliding fee child care program reported during the most recent fiscal year completed
200.29 at the time of the notice of allocation.

200.30 (f) For calendar year 2018, the initial allocation shall be the average of the final allocation
200.31 for calendar year 2017 and the amount that would otherwise be the initial allocation using
200.32 the revised formula for calendar year 2018, adjusted proportionately up or down to match
200.33 the funds available.

201.1 **EFFECTIVE DATE.** This section is effective January 1, 2018.

201.2 Sec. 6. Minnesota Statutes 2016, section 119B.09, subdivision 9a, is amended to read:

201.3 Subd. 9a. **Child care centers; assistance.** (a) ~~For the purposes of this subdivision,~~
201.4 ~~"qualifying child" means a child who is not a child or dependent of an employee of the child~~
201.5 ~~care provider. A child care center may receive authorizations for 25 or fewer children who~~
201.6 ~~are dependents of the center's employees. If a child care center is authorized for more than~~
201.7 ~~25 children who are dependents of center employees, the county cannot authorize additional~~
201.8 ~~dependents of an employee until the number of children falls below 25.~~

201.9 (b) ~~Funds distributed under this chapter must not be paid for child care services that are~~
201.10 ~~provided for a child or dependent of an employee under paragraph (a) unless at all times at~~

237.19 Sec. 8. Minnesota Statutes 2016, section 119B.09, subdivision 9a, is amended to read:

237.20 Subd. 9a. **Child care centers; assistance.** (a) ~~For the purposes of this subdivision,~~
237.21 ~~"qualifying child" means a child who is not a child or dependent of an employee of the child~~
237.22 ~~care provider. A child care center may receive authorizations for 25 or fewer children who~~
237.23 ~~are dependents of the center's employees. If a child care center is authorized for more than~~
237.24 ~~25 children who are dependents of center employees, the county cannot authorize additional~~
237.25 ~~dependents of an employee until the number of children falls below 25.~~

237.26 (b) ~~Funds distributed under this chapter must not be paid for child care services that are~~
237.27 ~~provided for a child or dependent of an employee under paragraph (a) unless at all times at~~

237.28 ~~least 50 percent of the children for whom the child care provider is providing care are~~
237.29 ~~qualifying children under paragraph (a).~~

237.30 ~~(e) If a child care provider satisfies the requirements for payment under paragraph (b);~~
237.31 ~~but the percentage of qualifying children under paragraph (a) for whom the provider is~~
238.1 ~~providing care falls below 50 percent, the provider shall have four weeks to raise the~~
238.2 ~~percentage of qualifying children for whom the provider is providing care to at least 50~~
238.3 ~~percent before payments to the provider are discontinued for child care services provided~~
238.4 ~~for a child who is not a qualifying child.~~

238.5 ~~(d) This subdivision shall be implemented as follows:~~

238.6 ~~(1) no later than August 1, 2014, the commissioner shall issue a notice to providers who~~
238.7 ~~have been identified as ineligible for funds distributed under this chapter as described in~~
238.8 ~~paragraph (b); and~~

238.9 ~~(2) no later than January 5, 2015, payments to providers who do not comply with~~
238.10 ~~paragraph (c) will be discontinued for child care services provided for children who are not~~
238.11 ~~qualifying children.~~

238.12 ~~(e) If a child's authorization for child care assistance is terminated under this subdivision,~~
238.13 ~~the county shall send a notice of adverse action to the provider and to the child's parent or~~
238.14 ~~guardian, including information on the right to appeal, under Minnesota Rules, part~~
238.15 ~~3400.0185.~~

238.16 ~~(f) (b) Funds paid to providers during the period of time between the issuance of a notice~~
238.17 ~~under paragraph (d), clause (1), and discontinuation of payments under paragraph (d), clause~~
238.18 ~~(2); when a center is authorized for more than 25 children who are dependents of center~~
238.19 ~~employees must not be treated as overpayments under section 119B.11, subdivision 2a, due~~
238.20 ~~to noncompliance with this subdivision.~~

238.21 ~~(g) (c) Nothing in this subdivision precludes the commissioner from conducting fraud~~
238.22 ~~investigations relating to child care assistance, imposing sanctions, and obtaining monetary~~
238.23 ~~recovery as otherwise provided by law.~~

238.24 **EFFECTIVE DATE.** This section is effective April 23, 2018.

238.25 **Sec. 9. [119B.097] AUTHORIZATION WITH A SECONDARY PROVIDER.**

201.11 ~~least 50 percent of the children for whom the child care provider is providing care are~~
201.12 ~~qualifying children under paragraph (a).~~

201.13 ~~(e) If a child care provider satisfies the requirements for payment under paragraph (b);~~
201.14 ~~but the percentage of qualifying children under paragraph (a) for whom the provider is~~
201.15 ~~providing care falls below 50 percent, the provider shall have four weeks to raise the~~
201.16 ~~percentage of qualifying children for whom the provider is providing care to at least 50~~
201.17 ~~percent before payments to the provider are discontinued for child care services provided~~
201.18 ~~for a child who is not a qualifying child.~~

201.19 ~~(d) This subdivision shall be implemented as follows:~~

201.20 ~~(1) no later than August 1, 2014, the commissioner shall issue a notice to providers who~~
201.21 ~~have been identified as ineligible for funds distributed under this chapter as described in~~
201.22 ~~paragraph (b); and~~

201.23 ~~(2) no later than January 5, 2015, payments to providers who do not comply with~~
201.24 ~~paragraph (c) will be discontinued for child care services provided for children who are not~~
201.25 ~~qualifying children.~~

201.26 ~~(e) If a child's authorization for child care assistance is terminated under this subdivision,~~
201.27 ~~the county shall send a notice of adverse action to the provider and to the child's parent or~~
201.28 ~~guardian, including information on the right to appeal, under Minnesota Rules, part~~
201.29 ~~3400.0185.~~

201.30 ~~(f) (b) Funds paid to providers during the period of time between the issuance of a notice~~
201.31 ~~under paragraph (d), clause (1), and discontinuation of payments under paragraph (d), clause~~
201.32 ~~(2); when a center is authorized for more than 25 children who are dependents of center~~
202.1 ~~employees must not be treated as overpayments under section 119B.11, subdivision 2a, due~~
202.2 ~~to noncompliance with this subdivision.~~

202.3 ~~(g) (c) Nothing in this subdivision precludes the commissioner from conducting fraud~~
202.4 ~~investigations relating to child care assistance, imposing sanctions, and obtaining monetary~~
202.5 ~~recovery as otherwise provided by law.~~

202.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

202.7 **Sec. 7. [119B.097] AUTHORIZATION WITH A SECONDARY PROVIDER.**

238.26 (a) If a child uses any combination of the following providers paid by child care
238.27 assistance, a parent must choose one primary provider and one secondary provider per child
238.28 that can be paid by child care assistance:

238.29 (1) an individual or child care center licensed under chapter 245A;

238.30 (2) an individual or child care center or facility holding a valid child care license issued
238.31 by another state or tribe; or

238.32 (3) a child care center exempt from licensing under section 245A.03.

239.1 (b) The amount of child care authorized with the secondary provider cannot exceed 20
239.2 hours per two-week service period, per child, and the amount of care paid to a child's
239.3 secondary provider is limited under section 119B.13, subdivision 1. The total amount of
239.4 child care authorized with both the primary and secondary provider cannot exceed the
239.5 amount of child care allowed based on the parents' eligible activity schedule, the child's
239.6 school schedule, and any other factors relevant to the family's child care needs.

239.7 **EFFECTIVE DATE.** This section is effective April 23, 2018.

239.8 Sec. 10. Minnesota Statutes 2016, section 119B.125, subdivision 4, is amended to read:

239.9 Subd. 4. **Unsafe care.** A county may deny authorization as a child care provider to any
239.10 applicant or ~~revoke~~ **revoke** the authorization of any provider when the county knows or has
239.11 reason to believe that the provider is unsafe or that the circumstances of the chosen child
239.12 care arrangement are unsafe. The county must include the conditions under which a provider
239.13 or care arrangement will be determined to be unsafe in the county's child care fund plan
239.14 under section 119B.08, subdivision 3.

239.15 **EFFECTIVE DATE.** This section is effective April 23, 2018.

239.16 Sec. 11. Minnesota Statutes 2016, section 119B.125, subdivision 6, is amended to read:

239.17 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
239.18 receiving child care assistance payments must keep accurate and legible daily attendance
239.19 records at the site where services are delivered for children receiving child care assistance
239.20 and must make those records available immediately to the county or the commissioner upon
239.21 request. The attendance records must be completed daily and include the date, the first and
239.22 last name of each child in attendance, and the times when each child is dropped off and
239.23 picked up. To the extent possible, the times that the child was dropped off to and picked up
239.24 from the child care provider must be entered by the person dropping off or picking up the

202.8 (a) If a child uses any combination of the following providers paid by child care
202.9 assistance, a parent must choose one primary provider and one secondary provider per child
202.10 that can be paid by child care assistance:

202.11 (1) an individual or child care center licensed under chapter 245A;

202.12 (2) an individual or child care center or facility holding a valid child care license issued
202.13 by another state or tribe; or

202.14 (3) a child care center exempt from licensing under section 245A.03.

202.15 (b) The amount of child care authorized with the secondary provider cannot exceed 20
202.16 hours per two-week service period, per child, and the amount of care paid to a child's
202.17 secondary provider is limited under section 119B.13, subdivision 1. The total amount of
202.18 child care authorized with both the primary and secondary provider cannot exceed the
202.19 amount of child care allowed based on the parents' eligible activity schedule, the child's
202.20 school schedule, and any other factors relevant to the family's child care needs.

202.21 **EFFECTIVE DATE.** This section is effective April 23, 2018.

202.22 Sec. 8. Minnesota Statutes 2016, section 119B.125, subdivision 4, is amended to read:

202.23 Subd. 4. **Unsafe care.** A county may deny authorization as a child care provider to any
202.24 applicant or ~~revoke~~ **revoke** the authorization of any provider when the county knows or has
202.25 reason to believe that the provider is unsafe or that the circumstances of the chosen child
202.26 care arrangement are unsafe. The county must include the conditions under which a provider
202.27 or care arrangement will be determined to be unsafe in the county's child care fund plan
202.28 under section 119B.08, subdivision 3.

202.29 **EFFECTIVE DATE.** This section is effective April 23, 2018.

203.1 Sec. 9. Minnesota Statutes 2016, section 119B.125, subdivision 6, is amended to read:

203.2 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
203.3 receiving child care assistance payments must keep accurate and legible daily attendance
203.4 records at the site where services are delivered for children receiving child care assistance
203.5 and must make those records available immediately to the county or the commissioner upon
203.6 request. The attendance records must be completed daily and include the date, the first and
203.7 last name of each child in attendance, and the times when each child is dropped off and
203.8 picked up. To the extent possible, the times that the child was dropped off to and picked up
203.9 from the child care provider must be entered by the person dropping off or picking up the

239.25 child. The daily attendance records must be retained at the site where services are delivered
239.26 for six years after the date of service.

239.27 (b) A county or the commissioner may deny or revoke a provider's authorization ~~as a~~
239.28 ~~child care provider to any applicant, rescind authorization of any provider, to receive child~~
239.29 ~~care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a~~
239.30 ~~fraud disqualification under section 256.98, take an action against the provider under chapter~~
239.31 ~~245E, or establish an attendance record overpayment claim in the system under paragraph~~
239.32 ~~(c) against a current or former provider, when the county or the commissioner knows or~~
239.33 ~~has reason to believe that the provider has not complied with the record-keeping requirement~~
240.1 ~~in this subdivision. A provider's failure to produce attendance records as requested on more~~
240.2 ~~than one occasion constitutes grounds for disqualification as a provider.~~

240.3 (c) To calculate an attendance record overpayment under this subdivision, the
240.4 commissioner or county agency subtracts the maximum daily rate from the total amount
240.5 paid to a provider for each day that a child's attendance record is missing, unavailable,
240.6 incomplete, illegible, inaccurate, or otherwise inadequate.

240.7 (d) The commissioner shall develop criteria to direct a county when the county must
240.8 establish an attendance overpayment under this subdivision.

240.9 EFFECTIVE DATE. This section is effective April 23, 2018.

240.10 Sec. 12. Minnesota Statutes 2016, section 119B.13, subdivision 1, is amended to read:

240.11 Subdivision 1. **Subsidy restrictions.** (a) Beginning February 3, 2014, the maximum
240.12 rate paid for child care assistance in any county or county price cluster under the child care
240.13 fund shall be the greater of the 25th percentile of the 2011 child care provider rate survey
240.14 or the maximum rate effective November 28, 2011. The commissioner may: (1) assign a
240.15 county with no reported provider prices to a similar price cluster; and (2) consider county
240.16 level access when determining final price clusters.

240.17 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
240.18 of the maximum rate allowed under this subdivision.

240.19 (c) The department shall monitor the effect of this paragraph on provider rates. The
240.20 county shall pay the provider's full charges for every child in care up to the maximum

203.10 child. The daily attendance records must be retained at the site where services are delivered
203.11 for six years after the date of service.

203.12 (b) A county or the commissioner may deny or revoke a provider's authorization ~~as a~~
203.13 ~~child care provider to any applicant, rescind authorization of any provider, to receive child~~
203.14 ~~care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a~~
203.15 ~~fraud disqualification under section 256.98, take an action against the provider under chapter~~
203.16 ~~245E, or establish an attendance record overpayment claim in the system under paragraph~~
203.17 ~~(c) against a current or former provider, when the county or the commissioner knows or~~
203.18 ~~has reason to believe that the provider has not complied with the record-keeping requirement~~
203.19 ~~in this subdivision. A provider's failure to produce attendance records as requested on more~~
203.20 ~~than one occasion constitutes grounds for disqualification as a provider.~~

203.21 (c) To calculate an attendance record overpayment under this subdivision, the
203.22 commissioner or county agency subtracts the maximum daily rate from the total amount
203.23 paid to a provider for each day that a child's attendance record is missing, unavailable,
203.24 incomplete, illegible, inaccurate, or otherwise inadequate.

203.25 (d) The commissioner shall develop criteria to direct a county when the county must
203.26 establish an attendance overpayment under this subdivision.

203.27 EFFECTIVE DATE. This section is effective April 23, 2018.

203.28 Sec. 10. Minnesota Statutes 2016, section 119B.13, subdivision 1, is amended to read:

203.29 Subdivision 1. **Subsidy restrictions.** (a) Beginning February 3, 2014, the maximum
203.30 rate paid for child care assistance in any county or county price cluster under the child care
203.31 fund shall be the greater of the 25th percentile of the 2011 child care provider rate survey
203.32 or the maximum rate effective November 28, 2011. For a child care provider located within
203.33 the boundaries of a city located in two or more of the counties of Benton, Sherburne, and
204.1 Stearns, the maximum rate paid for child care assistance shall be equal to the maximum
204.2 rate paid in the county with the highest maximum reimbursement rates or the provider's
204.3 charge, whichever is less. The commissioner may: (1) assign a county with no reported
204.4 provider prices to a similar price cluster; and (2) consider county level access when
204.5 determining final price clusters.

204.6 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
204.7 of the maximum rate allowed under this subdivision.

204.8 (c) The department shall monitor the effect of this paragraph on provider rates. The
204.9 county shall pay the provider's full charges for every child in care up to the maximum

240.21 established. The commissioner shall determine the maximum rate for each type of care on
240.22 an hourly, full-day, and weekly basis, including special needs and disability care.

240.23 ~~(d)~~ If a child uses one provider, the maximum payment to a provider for one day of care
240.24 must not exceed the daily rate. The maximum payment to a provider for one week of care
240.25 must not exceed the weekly rate.

240.26 ~~(e)~~ (e) If a child uses two providers under section 119B.097, the maximum payment
240.27 must not exceed:

240.28 (1) the daily rate for one day of care;

240.29 (2) the weekly rate for one week of care by a child's primary provider; and

240.30 (3) two daily rates during two weeks of care by a child's secondary provider.

241.1 (f) Child care providers receiving reimbursement under this chapter must not be paid
241.2 activity fees or an additional amount above the maximum rates for care provided during
241.3 nonstandard hours for families receiving assistance.

241.7 ~~(h)~~ (h) All maximum provider rates changes shall be implemented on the Monday
241.8 following the effective date of the maximum provider rate.

241.4 ~~(e)~~ When (g) If the provider charge is greater than the maximum provider rate allowed,
241.5 the parent is responsible for payment of the difference in the rates in addition to any family
241.6 co-payment fee.

241.9 ~~(g)~~ (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
241.10 registration fees in effect on January 1, 2013, shall remain in effect.

241.11 **EFFECTIVE DATE.** Paragraphs (d) to (i) are effective April 23, 2018.

241.12 Sec. 13. Minnesota Statutes 2016, section 119B.13, subdivision 6, is amended to read:

241.13 Subd. 6. **Provider payments.** (a) A provider must bill only for services documented
241.14 according to section 119B.125, subdivision 6. The provider shall bill for services provided
241.15 within ten days of the end of the service period. ~~If bills are submitted within ten days of the~~
241.16 ~~end of the service period.~~ Payments under the child care fund shall be made within ~~30~~ 21
241.17 days of receiving a complete bill from the provider. Counties or the state may establish
241.18 policies that make payments on a more frequent basis.

204.10 established. The commissioner shall determine the maximum rate for each type of care on
204.11 an hourly, full-day, and weekly basis, including special needs and disability care.

204.12 ~~(d)~~ If a child uses one provider, the maximum payment to a provider for one day of care
204.13 must not exceed the daily rate. The maximum payment to a provider for one week of care
204.14 must not exceed the weekly rate.

204.15 (e) If a child uses two providers under section 119B.097, the maximum payment must
204.16 not exceed:

204.17 (1) the daily rate for one day of care;

204.18 (2) the weekly rate for one week of care by the child's primary provider; and

204.19 (3) two daily rates during two weeks of care by a child's secondary provider.

204.20 ~~(f)~~ (f) Child care providers receiving reimbursement under this chapter must not be paid
204.21 activity fees or an additional amount above the maximum rates for care provided during
204.22 nonstandard hours for families receiving assistance.

204.26 ~~(h)~~ (h) All maximum provider rates changes shall be implemented on the Monday
204.27 following the effective date of the maximum provider rate.

204.23 ~~(e)~~ When (g) If the provider charge is greater than the maximum provider rate allowed,
204.24 the parent is responsible for payment of the difference in the rates in addition to any family
204.25 co-payment fee.

204.28 ~~(g)~~ (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
204.29 registration fees in effect on January 1, 2013, shall remain in effect.

204.30 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2018. Paragraphs (d) to (i) are
204.31 effective April 23, 2018.

205.1 Sec. 11. Minnesota Statutes 2016, section 119B.13, subdivision 6, is amended to read:

205.2 Subd. 6. **Provider payments.** (a) A provider must bill only for services documented
205.3 according to section 119B.125, subdivision 6. The provider shall bill for services provided
205.4 within ten days of the end of the service period. ~~If bills are submitted within ten days of the~~
205.5 ~~end of the service period.~~ Payments under the child care fund shall be made within ~~30~~ 21
205.6 days of receiving a complete bill from the provider. Counties or the state may establish
205.7 policies that make payments on a more frequent basis.

241.19 (b) If a provider has received an authorization of care and been issued a billing form for
241.20 an eligible family, the bill must be submitted within 60 days of the last date of service on
241.21 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
241.22 county determines that the provider has shown good cause why the bill was not submitted
241.23 within 60 days. Good cause must be defined in the county's child care fund plan under
241.24 section 119B.08, subdivision 3, and the definition of good cause must include county error.
241.25 Any bill submitted more than a year after the last date of service on the bill must not be
241.26 paid.

241.27 (c) If a provider provided care for a time period without receiving an authorization of
241.28 care and a billing form for an eligible family, payment of child care assistance may only be
241.29 made retroactively for a maximum of six months from the date the provider is issued an
241.30 authorization of care and billing form.

241.31 (d) A county or the commissioner may refuse to issue a child care authorization to a
241.32 licensed or legal nonlicensed provider, revoke an existing child care authorization to a
242.1 licensed or legal nonlicensed provider, stop payment issued to a licensed or legal nonlicensed
242.2 provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed provider if:

242.3 (1) the provider admits to intentionally giving the county materially false information
242.4 on the provider's billing forms;

242.5 (2) a county or the commissioner finds by a preponderance of the evidence that the
242.6 provider intentionally gave the county materially false information on the provider's billing
242.7 forms, or provided false attendance records to a county or the commissioner;

242.8 (3) the provider is in violation of child care assistance program rules, until the agency
242.9 determines those violations have been corrected;

242.10 (4) the provider is operating after:

242.11 (i) an order of suspension of the provider's license issued by the commissioner; or

242.12 (ii) an order of revocation of the provider's license; ~~or~~

242.13 ~~(iii) a final order of conditional license issued by the commissioner for as long as the~~
242.14 ~~conditional license is in effect;~~

242.15 (5) the provider submits false an inaccurate attendance reports or refuses to provide
242.16 documentation of the child's attendance upon request; or record;

205.8 (b) If a provider has received an authorization of care and been issued a billing form for
205.9 an eligible family, the bill must be submitted within 60 days of the last date of service on
205.10 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
205.11 county determines that the provider has shown good cause why the bill was not submitted
205.12 within 60 days. Good cause must be defined in the county's child care fund plan under
205.13 section 119B.08, subdivision 3, and the definition of good cause must include county error.
205.14 Any bill submitted more than a year after the last date of service on the bill must not be
205.15 paid.

205.16 (c) If a provider provided care for a time period without receiving an authorization of
205.17 care and a billing form for an eligible family, payment of child care assistance may only be
205.18 made retroactively for a maximum of six months from the date the provider is issued an
205.19 authorization of care and billing form.

205.20 (d) A county or the commissioner may refuse to issue a child care authorization to a
205.21 licensed or legal nonlicensed provider, revoke an existing child care authorization to a
205.22 licensed or legal nonlicensed provider, stop payment issued to a licensed or legal nonlicensed
205.23 provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed provider if:

205.24 (1) the provider admits to intentionally giving the county materially false information
205.25 on the provider's billing forms;

205.26 (2) a county or the commissioner finds by a preponderance of the evidence that the
205.27 provider intentionally gave the county materially false information on the provider's billing
205.28 forms, or provided false attendance records to a county or the commissioner;

205.29 (3) the provider is in violation of child care assistance program rules, until the agency
205.30 determines those violations have been corrected;

205.31 (4) the provider is operating after:

205.32 (i) an order of suspension of the provider's license issued by the commissioner; or

205.33 (ii) an order of revocation of the provider's license; ~~or~~

206.1 ~~(iii) a final order of conditional license issued by the commissioner for as long as the~~
206.2 ~~conditional license is in effect;~~

206.3 (5) the provider submits false an inaccurate attendance reports or refuses to provide
206.4 documentation of the child's attendance upon request; or record;

242.17 (6) the provider gives false child care price information-; or

242.18 (7) the provider fails to grant access to a county or the commissioner during regular
242.19 business hours to examine all records necessary to determine the extent of services provided
242.20 to a child care assistance recipient and the appropriateness of a claim for payment.

242.21 (e) If a county or the commissioner finds that a provider violated paragraph (d), clause
242.22 (1) or (2), a county or the commissioner must deny or revoke the provider's authorization
242.23 and either pursue a fraud disqualification under section 256.98, subdivision 8, paragraph
242.24 (c), or refer the case to a law enforcement authority. A provider's rights related to an
242.25 authorization denial or revocation under this paragraph are established in section 119B.161.
242.26 If a provider's authorization is revoked or denied under this paragraph, the denial or
242.27 revocation lasts until either:

242.28 (1) all criminal, civil, and administrative proceedings related to the provider's alleged
242.29 misconduct conclude and any appeal rights are exhausted; or

242.30 (2) the commissioner decides, based on written evidence or argument submitted under
242.31 section 119B.161, to authorize the provider.

243.1 (f) If a county or the commissioner denies or revokes a provider's authorization under
243.2 paragraph (d), clause (4), the provider shall not be authorized until the order of suspension
243.3 or order of revocation against the provider is lifted.

243.4 ~~(e) For purposes of~~ (g) If a county or the commissioner finds that a provider violated
243.5 paragraph (d), ~~clauses~~ clause (3), (5), ~~and~~ or (6), the county or the commissioner may ~~withhold~~
243.6 ~~revoke or deny the provider's authorization or payment for a period of time not to exceed~~
243.7 ~~three months beyond the time the condition has been corrected. If a provider's authorization~~
243.8 ~~is revoked or denied under this paragraph, the denial or revocation may last up to 90 days~~
243.9 ~~from the date a county or the commissioner denies or revokes the provider's authorization.~~

243.10 (h) If a county or the commissioner determines a provider violated paragraph (d), clause
243.11 (7), a county or the commissioner must deny or revoke the provider's authorization until a
243.12 county or the commissioner determines whether the records sought comply with this chapter
243.13 and chapter 245E. The provider's rights related to an authorization denial or revocation
243.14 under this paragraph are established in section 119B.161.

243.15 ~~(i)~~ (i) A county's payment policies must be included in the county's child care plan under
243.16 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
243.17 compliance with this subdivision, the payments must be made in compliance with section
243.18 16A.124.

206.5 (6) the provider gives false child care price information-; or

206.6 (7) the provider fails to grant access to a county or the commissioner during regular
206.7 business hours to examine all records necessary to determine the extent of services provided
206.8 to a child care assistance recipient and the appropriateness of a claim for payment.

206.9 (e) If a county or the commissioner finds that a provider violated paragraph (d), clause
206.10 (1) or (2), a county or the commissioner must deny or revoke the provider's authorization
206.11 and either pursue a fraud disqualification under section 256.98, subdivision 8, paragraph
206.12 (c), or refer the case to an enforcement authority. A provider's rights related to an
206.13 authorization denial or revocation under this paragraph are established in section 119B.161.
206.14 If a provider's authorization is revoked or denied under this paragraph, the denial or
206.15 revocation lasts until either:

206.16 (1) all criminal, civil, and administrative proceedings related to the provider's alleged
206.17 misconduct conclude and any appeal rights are exhausted; or

206.18 (2) the commissioner decides, based on written evidence or argument submitted under
206.19 section 119B.161, to authorize the provider.

206.20 (f) If a county or the commissioner denies or revokes a provider's authorization under
206.21 paragraph (d), clause (4), the provider shall not be authorized until the order of suspension
206.22 or order of revocation against the provider is lifted.

206.23 ~~(e) For purposes of~~ (g) If a county or the commissioner finds that a provider violated
206.24 paragraph (d), ~~clauses~~ clause (3), (5), ~~and~~ or (6), the county or the commissioner may
206.25 ~~withhold~~ revoke or deny the provider's authorization or payment for a period of time not to
206.26 ~~exceed three months beyond the time the condition has been corrected. If a provider's~~
206.27 ~~authorization is revoked or denied under this paragraph, the denial or revocation may last~~
206.28 ~~up to 90 days from the date a county or the commissioner denies or revokes the provider's~~
206.29 ~~authorization.~~

206.30 (h) If a county or the commissioner determines a provider violated paragraph (d), clause
206.31 (7), a county or the commissioner must deny or revoke the provider's authorization until a
206.32 county or the commissioner determines whether the records sought comply with this chapter
207.1 and chapter 245E. The provider's rights related to an authorization denial or revocation
207.2 under this paragraph are established in section 119B.161.

207.3 ~~(i)~~ (i) A county's payment policies must be included in the county's child care plan under
207.4 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
207.5 compliance with this subdivision, the payments must be made in compliance with section
207.6 16A.124.

243.19 **EFFECTIVE DATE.** Paragraph (a) is effective September 25, 2017. Paragraphs (d) to
243.20 (i) are effective April 23, 2018.

243.21 Sec. 14. Minnesota Statutes 2016, section 119B.16, subdivision 1, is amended to read:

243.22 Subdivision 1. **Fair hearing allowed for applicants and recipients.** (a) An applicant
243.23 or recipient adversely affected by an action of a county agency ~~action~~ or the commissioner
243.24 may request and receive a fair hearing in accordance with this subdivision and section
243.25 256.045.

243.26 (b) A county agency must offer an informal conference to an applicant or recipient who
243.27 is entitled to a fair hearing under this section. A county agency shall advise an adversely
243.28 affected applicant or recipient that a request for a conference is optional and does not delay
243.29 or replace the right to a fair hearing.

243.30 (c) An applicant or recipient does not have a right to a fair hearing if a county agency
243.31 or the commissioner takes action against a provider.

244.1 (d) If a provider's authorization is suspended, denied, or revoked, a county agency or
244.2 the commissioner must mail notice to a child care assistance program recipient receiving
244.3 care from the provider.

244.4 **EFFECTIVE DATE.** This section is effective April 23, 2018.

244.5 Sec. 15. Minnesota Statutes 2016, section 119B.16, subdivision 1a, is amended to read:

244.6 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
244.7 caring for children receiving child care assistance.

244.8 (b) ~~A provider to whom a county agency has assigned responsibility for an overpayment~~
244.9 ~~may request a fair hearing in accordance with section 256.045 for the limited purpose of~~
244.10 ~~challenging the assignment of responsibility for the overpayment and the amount of the~~
244.11 ~~overpayment. The scope of the fair hearing does not include the issues of whether the~~
244.12 ~~provider wrongfully obtained public assistance in violation of section 256.98 or was properly~~
244.13 ~~disqualified under section 256.98, subdivision 8, paragraph (e), unless the fair hearing has~~
244.14 ~~been combined with an administrative disqualification hearing brought against the provider~~
244.15 ~~under section 256.046.~~

244.16 (b) A provider may request a fair hearing only as specified in this subdivision.

207.7 **EFFECTIVE DATE.** The amendments to paragraph (a) are effective September 25,
207.8 2017. The amendments to paragraphs (d) to (i) are effective April 23, 2018.

207.9 Sec. 12. Minnesota Statutes 2016, section 119B.16, subdivision 1, is amended to read:

207.10 Subdivision 1. **Fair hearing allowed for applicants and recipients.** (a) An applicant
207.11 or recipient adversely affected by an action of a county agency ~~action~~ or the commissioner
207.12 may request and receive a fair hearing in accordance with this subdivision and section
207.13 256.045.

207.14 (b) A county agency must offer an informal conference to an applicant or recipient who
207.15 is entitled to a fair hearing under this section. A county agency shall advise an adversely
207.16 affected applicant or recipient that a request for a conference is optional and does not delay
207.17 or replace the right to a fair hearing.

207.18 (c) An applicant or recipient does not have a right to a fair hearing if a county agency
207.19 or the commissioner takes action against a provider.

207.20 (d) If a provider's authorization is suspended, denied, or revoked, a county agency or
207.21 the commissioner must mail notice to a child care assistance program recipient receiving
207.22 care from the provider.

207.23 **EFFECTIVE DATE.** This section is effective April 23, 2018.

207.24 Sec. 13. Minnesota Statutes 2016, section 119B.16, subdivision 1a, is amended to read:

207.25 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
207.26 caring for children receiving child care assistance.

207.27 (b) ~~A provider to whom a county agency has assigned responsibility for an overpayment~~
207.28 ~~may request a fair hearing in accordance with section 256.045 for the limited purpose of~~
207.29 ~~challenging the assignment of responsibility for the overpayment and the amount of the~~
207.30 ~~overpayment. The scope of the fair hearing does not include the issues of whether the~~
207.31 ~~provider wrongfully obtained public assistance in violation of section 256.98 or was properly~~
208.1 ~~disqualified under section 256.98, subdivision 8, paragraph (e), unless the fair hearing has~~
208.2 ~~been combined with an administrative disqualification hearing brought against the provider~~
208.3 ~~under section 256.046.~~

208.4 (b) A provider may request a fair hearing only as specified in this subdivision.

244.17 (c) A provider may request a fair hearing according to sections 256.045 and 256.046 if
244.18 a county agency or the commissioner;

244.19 (1) denies or revokes a provider's authorization, unless the action entitles the provider
244.20 to a consolidated contested case hearing under section 119B.16, subdivision 3, or an
244.21 administrative review under section 119B.161;

244.22 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
244.23 subdivision 2a;

244.24 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
244.25 6;

244.26 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
244.27 paragraph (c), clause (2);

244.28 (5) initiates an administrative fraud disqualification hearing; or

244.29 (6) issues a payment and the provider disagrees with the amount of the payment.

244.30 (d) A provider may request a fair hearing by submitting a written request to the
244.31 Department of Human Services, Appeals Division. A provider's request must be received
245.1 by the appeals division no later than 30 days after the date a county or the commissioner
245.2 mails the notice. The provider's appeal request must contain the following:

245.3 (1) each disputed item, the reason for the dispute, and, if appropriate, an estimate of the
245.4 dollar amount involved for each disputed item;

245.5 (2) the computation the provider believes to be correct, if appropriate;

245.6 (3) the statute or rule relied on for each disputed item; and

245.7 (4) the name, address, and telephone number of the person at the provider's place of
245.8 business with whom contact may be made regarding the appeal.

245.9 **EFFECTIVE DATE.** This section is effective April 23, 2018.

245.10 Sec. 16. Minnesota Statutes 2016, section 119B.16, subdivision 1b, is amended to read:

245.11 Subd. 1b. **Joint fair hearings.** When a provider requests a fair hearing under subdivision
245.12 1a, the family in whose case the overpayment was created must be made a party to the fair

208.5 (c) A provider may request a fair hearing according to sections 256.045 and 256.046 if
208.6 a county agency or the commissioner;

208.7 (1) denies or revokes a provider's authorization, unless the action entitles the provider
208.8 to a consolidated contested case hearing under subdivision 3 or an administrative review
208.9 under section 119B.161;

208.10 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
208.11 subdivision 2a;

208.12 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
208.13 6;

208.14 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
208.15 paragraph (c), clause (2);

208.16 (5) initiates an administrative fraud disqualification hearing; or

208.17 (6) issues a payment and the provider disagrees with the amount of the payment.

208.18 (d) A provider may request a fair hearing by submitting a written request to the
208.19 Department of Human Services, Appeals Division. A provider's request must be received
208.20 by the appeals division no later than 30 days after the date a county or the commissioner
208.21 mails the notice. The provider's appeal request must contain the following:

208.22 (1) each disputed item, the reason for the dispute, and, if appropriate, an estimate of the
208.23 dollar amount involved for each disputed item;

208.24 (2) the computation the provider believes to be correct, if appropriate;

208.25 (3) the statute or rule relied on for each disputed item; and

208.26 (4) the name, address, and telephone number of the person at the provider's place of
208.27 business with whom contact may be made regarding the appeal.

208.28 **EFFECTIVE DATE.** This section is effective April 23, 2018.

209.1 Sec. 14. Minnesota Statutes 2016, section 119B.16, subdivision 1b, is amended to read:

209.2 Subd. 1b. **Joint fair hearings.** When a provider requests a fair hearing under subdivision
209.3 1a, the family in whose case the overpayment was created must be made a party to the fair

245.13 ~~hearing. All other issues raised by the family must be resolved in the same proceeding.~~
245.14 ~~When a family requests a fair hearing and claims that the county should have assigned~~
245.15 ~~responsibility for an overpayment to a provider, the provider must be made a party to the~~
245.16 ~~fair hearing. The human services judge assigned to a fair hearing may join a family or a~~
245.17 ~~provider as a party to the fair hearing whenever joinder of that party is necessary to fully~~
245.18 ~~and fairly resolve overpayment issues raised in the appeal.~~

245.19 EFFECTIVE DATE. This section is effective April 23, 2018.

245.20 Sec. 17. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
245.21 to read:

245.22 Subd. 1c. Notice to providers. (a) Before taking an action appealable under subdivision
245.23 1a, paragraph (c), a county agency or the commissioner must mail written notice to the
245.24 provider against whom the action is being taken.

245.25 (b) The notice shall state:

245.26 (1) the factual basis for the department's determination;

245.27 (2) the action the department intends to take;

245.28 (3) the dollar amount of the monetary recovery or recoupment, if known; and

245.29 (4) the right to appeal the department's proposed action.

246.1 (c) A county agency or the commissioner must mail the written notice at least 15 calendar
246.2 days before the adverse action's effective date.

246.3 EFFECTIVE DATE. This section is effective April 23, 2018.

246.4 Sec. 18. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
246.5 to read:

246.6 Subd. 3. Consolidated contested case hearing. If a county agency or the commissioner
246.7 denies or revokes a provider's authorization based on a licensing action, the provider may
246.8 only appeal the denial or revocation in the same contested case proceeding that the provider
246.9 appeals the licensing action.

246.10 EFFECTIVE DATE. This section is effective April 23, 2018.

209.4 ~~hearing. All other issues raised by the family must be resolved in the same proceeding.~~
209.5 ~~When a family requests a fair hearing and claims that the county should have assigned~~
209.6 ~~responsibility for an overpayment to a provider, the provider must be made a party to the~~
209.7 ~~fair hearing. The human services judge assigned to a fair hearing may join a family or a~~
209.8 ~~provider as a party to the fair hearing whenever joinder of that party is necessary to fully~~
209.9 ~~and fairly resolve overpayment issues raised in the appeal.~~

209.10 EFFECTIVE DATE. This section is effective April 23, 2018.

209.11 Sec. 15. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
209.12 to read:

209.13 Subd. 1c. Notice to providers. (a) Before taking an action appealable under subdivision
209.14 1a, paragraph (c), a county agency or the commissioner must mail written notice to the
209.15 provider against whom the action is being taken.

209.16 (b) The notice shall state:

209.17 (1) the factual basis for the department's determination;

209.18 (2) the action the department intends to take;

209.19 (3) the dollar amount of the monetary recovery or recoupment, if known; and

209.20 (4) the right to appeal the department's proposed action.

209.21 (c) A county agency or the commissioner must mail the written notice at least 15 calendar
209.22 days before the adverse action's effective date.

209.23 EFFECTIVE DATE. This section is effective April 23, 2018.

209.24 Sec. 16. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
209.25 to read:

209.26 Subd. 3. Consolidated contested case hearing. If a county agency or the commissioner
209.27 denies or revokes a provider's authorization based on a licensing action, the provider may
209.28 only appeal the denial or revocation in the same contested case proceeding that the provider
209.29 appeals the licensing action.

209.30 EFFECTIVE DATE. This section is effective April 23, 2018.

246.11 Sec. 19. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
246.12 to read:

246.13 Subd. 4. **Final department action.** Unless the commissioner receives a timely and
246.14 proper request for an appeal, a county agency's or the commissioner's action shall be
246.15 considered a final department action.

246.16 **EFFECTIVE DATE.** This section is effective April 23, 2018.

246.17 Sec. 20. **[119B.161] ADMINISTRATIVE REVIEW.**

246.18 Subdivision 1. **Temporary denial or revocation of authorization.** (a) A provider has
246.19 the rights listed under this section if:

246.20 (1) the provider's authorization was denied or revoked under section 119B.13, subdivision
246.21 6, paragraph (d), clause (1), (2), or (7);

246.22 (2) the provider's authorization was temporarily suspended under paragraph (b); or

246.23 (3) a payment was suspended under chapter 245E.

246.24 (b) Unless the commissioner receives a timely and proper request for an appeal, a county's
246.25 or the commissioner's action is a final department action.

246.26 (c) The commissioner may temporarily suspend a provider's authorization without prior
246.27 notice and opportunity for hearing if the commissioner determines either that there is a
246.28 credible allegation of fraud for which an investigation is pending under the child care
246.29 assistance program, or that the suspension is necessary for public safety and the best interests
246.30 of the child care assistance program. An allegation is considered credible if the allegation
247.1 has indications of reliability. The commissioner may determine that an allegation is credible,
247.2 if the commissioner reviewed all allegations, facts, and evidence carefully and acts judiciously
247.3 on a case-by-case basis.

247.4 Subd. 2. **Notice.** (a) A county or the commissioner must mail a provider notice within
247.5 five days of suspending, revoking, or denying a provider's authorization under subdivision
247.6 1.

247.7 (b) The notice must:

247.8 (1) state the provision under which a county or the commissioner is denying, revoking,
247.9 or suspending a provider's authorization or suspending payment to the provider;

210.1 Sec. 17. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
210.2 to read:

210.3 Subd. 4. **Final department action.** Unless the commissioner receives a timely and
210.4 proper request for an appeal, a county agency's or the commissioner's action shall be
210.5 considered a final department action.

210.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

210.7 Sec. 18. **[119B.161] ADMINISTRATIVE REVIEW.**

210.8 Subdivision 1. **Temporary denial or revocation of authorization.** (a) A provider has
210.9 the rights listed under this section if:

210.10 (1) the provider's authorization was denied or revoked under section 119B.13, subdivision
210.11 6, paragraph (d), clause (1), (2), or (7);

210.12 (2) the provider's authorization was temporarily suspended under paragraph (b); or

210.13 (3) a payment was suspended under chapter 245E.

210.14 (b) Unless the commissioner receives a timely and proper request for an appeal, a county's
210.15 or the commissioner's action is a final department action.

210.16 (c) The commissioner may temporarily suspend a provider's authorization without prior
210.17 notice and opportunity for hearing if the commissioner determines either that there is a
210.18 credible allegation of fraud for which an investigation is pending under the child care
210.19 assistance program, or that the suspension is necessary for public safety and the best interests
210.20 of the child care assistance program. An allegation is considered credible if the allegation
210.21 has indications of reliability. The commissioner may determine that an allegation is credible,
210.22 if the commissioner reviewed all allegations, facts, and evidence carefully and acts judiciously
210.23 on a case-by-case basis.

210.24 Subd. 2. **Notice.** (a) A county or the commissioner must mail a provider notice within
210.25 five days of suspending, revoking, or denying a provider's authorization under subdivision
210.26 1.

210.27 (b) The notice must:

210.28 (1) state the provision under which a county or the commissioner is denying, revoking,
210.29 or suspending a provider's authorization or suspending payment to the provider;

247.10 (2) set forth the general allegations leading to the revocation, denial, or suspension of a
247.11 provider's authorization. The notice need not disclose any specific information concerning
247.12 an ongoing investigation;

247.13 (3) state that the suspension, revocation, or denial of a provider's authorization is for a
247.14 temporary period and explain the circumstances under which the action expires; and

247.15 (4) inform the provider of the right to submit written evidence and argument for
247.16 consideration by the commissioner.

247.17 (c) Notwithstanding Minnesota Rules, part 3400.0185, if a county or the commissioner
247.18 denies or revokes a provider's authorization under section 119B.13, subdivision 6, paragraph
247.19 (d), clause (1), (2), or (7); suspends a payment to a provider under chapter 245E; or
247.20 temporarily suspends a payment to a provider under section 119B.161, subdivision 1, a
247.21 county or the commissioner must send notice of termination to an affected family. The
247.22 termination sent to an affected family is effective on the date the notice is created.

247.23 Subd. 3. **Duration.** If a provider's authorization is denied or revoked under section
247.24 119B.13, subdivision 6, paragraph (d), clause (1), (2), or (7); authorization is temporarily
247.25 suspended under section 119B.161; or payment is suspended under chapter 245E, the
247.26 provider's denial, revocation, temporary suspension, or payment suspension remains in
247.27 effect until:

247.28 (1) the commissioner or a law enforcement authority determines that there is insufficient
247.29 evidence warranting the action and a county or the commissioner does not pursue an
247.30 additional administrative remedy under chapter 245E or section 256.98; or

247.31 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
247.32 misconduct conclude and any appeal rights are exhausted.

248.1 Subd. 4. **Good cause exception.** A county or the commissioner may find that good cause
248.2 exists not to deny, revoke, or suspend a provider's authorization, or not to continue a denial,
248.3 revocation, or suspension of a provider's authorization if any of the following are applicable:

248.4 (1) a law enforcement authority specifically requested that a provider's authorization
248.5 not be denied, revoked, or suspended because it may compromise an ongoing investigation;

248.6 (2) a county or the commissioner determines that the denial, revocation, or suspension
248.7 should be removed based on the provider's written submission; or

211.1 (2) set forth the general allegations leading to the revocation, denial, or suspension of a
211.2 provider's authorization. The notice need not disclose any specific information concerning
211.3 an ongoing investigation;

211.4 (3) state that the suspension, revocation, or denial of a provider's authorization is for a
211.5 temporary period and explain the circumstances under which the action expires; and

211.6 (4) inform the provider of the right to submit written evidence and argument for
211.7 consideration by the commissioner.

211.8 (c) Notwithstanding Minnesota Rules, part 3400.0185, if a county or the commissioner
211.9 denies or revokes a provider's authorization under section 119B.13, subdivision 6, paragraph
211.10 (d), clause (1), (2), or (7); suspends a payment to a provider under chapter 245E; or
211.11 temporarily suspends a payment to a provider under subdivision 1, a county or the
211.12 commissioner must send notice of termination to an affected family. The termination sent
211.13 to an affected family is effective on the date the notice is created.

211.14 Subd. 3. **Duration.** If a provider's authorization is denied or revoked under section
211.15 119B.13, subdivision 6, paragraph (d), clause (1), (2), or (7); authorization is temporarily
211.16 suspended under this section; or payment is suspended under chapter 245E, the provider's
211.17 denial, revocation, temporary suspension, or payment suspension remains in effect until:

211.18 (1) the commissioner or an enforcement authority determines that there is insufficient
211.19 evidence warranting the action and a county or the commissioner does not pursue an
211.20 additional administrative remedy under chapter 245E or section 256.98; or

211.21 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
211.22 misconduct conclude and any appeal rights are exhausted.

211.23 Subd. 4. **Good cause exception.** A county or the commissioner may find that good cause
211.24 exists not to deny, revoke, or suspend a provider's authorization, or not to continue a denial,
211.25 revocation, or suspension of a provider's authorization if any of the following are applicable:

211.26 (1) an enforcement authority specifically requested that a provider's authorization not
211.27 be denied, revoked, or suspended because it may compromise an ongoing investigation;

211.28 (2) a county or the commissioner determines that the denial, revocation, or suspension
211.29 should be removed based on the provider's written submission; or

248.8 (3) the commissioner determines that the denial, revocation, or suspension is not in the
248.9 best interests of the program.

248.10 **EFFECTIVE DATE.** This section is effective April 23, 2018.

211.30 (3) the commissioner determines that the denial, revocation, or suspension is not in the
211.31 best interests of the program.

211.32 **EFFECTIVE DATE.** This section is effective April 23, 2018.

212.1 Sec. 19. Minnesota Statutes 2016, section 245.814, subdivision 2, is amended to read:

212.2 Subd. 2. **Application of coverage.** Coverage shall apply to all foster homes licensed by
212.3 the Department of Human Services, licensed by a federally recognized tribal government,
212.4 or established by the juvenile court and certified by the commissioner of corrections pursuant
212.5 to section 260B.198, subdivision 1, clause (3), item (v), to the extent that the liability is not
212.6 covered by the provisions of the standard homeowner's or automobile insurance policy. The
212.7 insurance shall not cover property owned by the individual foster home provider, damage
212.8 caused intentionally by a person over 12 years of age, or property damage arising out of
212.9 business pursuits or the operation of any vehicle, machinery, or equipment.

212.10 Sec. 20. Minnesota Statutes 2016, section 245.814, subdivision 3, is amended to read:

212.11 Subd. 3. **Compensation provisions.** If the commissioner of human services is unable
212.12 to obtain insurance through ordinary methods for coverage of foster home providers, the
212.13 appropriation shall be returned to the general fund and the state shall pay claims subject to
212.14 the following limitations.

212.15 (a) Compensation shall be provided only for injuries, damage, or actions set forth in
212.16 subdivision 1.

212.17 (b) Compensation shall be subject to the conditions and exclusions set forth in subdivision
212.18 2.

212.19 (c) The state shall provide compensation for bodily injury, property damage, or personal
212.20 injury resulting from the foster home providers activities as a foster home provider while
212.21 the foster child or adult is in the care, custody, and control of the foster home provider in
212.22 an amount not to exceed \$250,000 for each occurrence.

212.23 (d) The state shall provide compensation for damage or destruction of property caused
212.24 or sustained by a foster child or adult in an amount not to exceed ~~\$250~~ \$1,000 for each
212.25 occurrence.

212.26 (e) The compensation in paragraphs (c) and (d) is the total obligation for all damages
212.27 because of each occurrence regardless of the number of claims made in connection with
212.28 the same occurrence, but compensation applies separately to each foster home. The state

212.29 shall have no other responsibility to provide compensation for any injury or loss caused or
212.30 sustained by any foster home provider or foster child or foster adult.

212.31 This coverage is extended as a benefit to foster home providers to encourage care of
212.32 persons who need out-of-home care. Nothing in this section shall be construed to mean that
212.33 foster home providers are agents or employees of the state nor does the state accept any
213.1 responsibility for the selection, monitoring, supervision, or control of foster home providers
213.2 which is exclusively the responsibility of the counties which shall regulate foster home
213.3 providers in the manner set forth in the rules of the commissioner of human services.

HOUSE ART. 4, SEC. 21, SEE SENATE ART. 9, SEC. 2

HOUSE ART. 4, SEC. 22, SEE SENATE ART. 9, SEC. 3

HOUSE ART. 4, SEC. 23, SEE SENATE ART. 9

HOUSE ART. 4, SEC. 24, SEE SENATE ART. 9

HOUSE ART. 4, SEC. 25, SEE SENATE ART. 9

HOUSE ART. 4, SEC. 26, SEE SENATE ART. 9

HOUSE ART. 4, SEC. 27, SEE SENATE ART. 9, SEC. 7

HOUSE ART. 4, SEC. 28, SEE SENATE ART. 9

217.23 Sec. 29. **[245A.23] EXEMPTION FROM POSITIVE SUPPORT STRATEGIES**
217.24 **REQUIREMENTS.**

217.25 A program licensed as a family day care facility or group family day care facility under
217.26 Minnesota Rules, chapter 9502, and a program licensed as a child care center under
217.27 Minnesota Rules, chapter 9503, are exempt from Minnesota Rules, chapter 9544, relating
217.28 to positive support strategies and restrictive interventions.

217.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

248.11 Sec. 21. Minnesota Statutes 2016, section 245A.50, subdivision 5, is amended to read:

248.12 Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a)
248.13 License holders must document that before staff persons, caregivers, and helpers assist in
248.14 the care of infants, they are instructed on the standards in section 245A.1435 and receive

248.15 training on reducing the risk of sudden unexpected infant death. In addition, license holders
248.16 must document that before staff persons, caregivers, and helpers assist in the care of infants
248.17 and children under school age, they receive training on reducing the risk of abusive head
248.18 trauma from shaking infants and young children. The training in this subdivision may be
248.19 provided as initial training under subdivision 1 or ongoing annual training under subdivision
248.20 7.

248.21 (b) Sudden unexpected infant death reduction training required under this subdivision
248.22 must, at a minimum, address the risk factors related to sudden unexpected infant death,
248.23 means of reducing the risk of sudden unexpected infant death in child care, and license
248.24 holder communication with parents regarding reducing the risk of sudden unexpected infant
248.25 death.

248.26 (c) Abusive head trauma training required under this subdivision must, at a minimum,
248.27 address the risk factors related to shaking infants and young children, means of reducing
248.28 the risk of abusive head trauma in child care, and license holder communication with parents
248.29 regarding reducing the risk of abusive head trauma.

248.30 (d) Training for family and group family child care providers must be developed by the
248.31 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
248.32 by the Minnesota Center for Professional Development. Sudden unexpected infant death
249.1 reduction training and abusive head trauma training may be provided in a single course of
249.2 no more than two hours in length.

249.3 (e) Sudden unexpected infant death reduction training and abusive head trauma training
249.4 required under this subdivision must be completed in person or as allowed under subdivision
249.5 10, clause (1) or (2), at least once every two years. On the years when the license holder is
249.6 not receiving training in person or as allowed under subdivision 10, clause (1) or (2), the
249.7 license holder must receive sudden unexpected infant death reduction training and abusive
249.8 head trauma training through a video of no more than one hour in length. The video must
249.9 be developed or approved by the commissioner.

249.10 (f) An individual who is related to the license holder as defined in section 245A.02,
249.11 subdivision 13, and who is involved only in the care of the license holder's own infant or
249.12 child under school age and who is not designated to be a caregiver, helper, or substitute, as
249.13 defined in Minnesota Rules, part 9502.0315, for the licensed program, is exempt from the
249.14 sudden unexpected infant death and abusive head trauma training.

249.15 Sec. 22. Minnesota Statutes 2016, section 245E.01, is amended by adding a subdivision
249.16 to read:

218.1 Sec. 30. Minnesota Statutes 2016, section 245E.01, is amended by adding a subdivision
218.2 to read:

249.17 Subd. 6a. **Credible allegation of fraud.** "Credible allegation of fraud" has the meaning
249.18 given in section 256B.064, subdivision 2, paragraph (b), clause (2).

249.19 **EFFECTIVE DATE.** This section is effective July 1, 2017.

249.20 Sec. 23. Minnesota Statutes 2016, section 245E.02, subdivision 1, is amended to read:

249.21 Subdivision 1. **Investigating provider or recipient financial misconduct.** The
249.22 department shall investigate alleged or suspected financial misconduct by providers and
249.23 errors related to payments issued by the child care assistance program under this chapter.
249.24 Recipients, employees, agents and consultants, and staff may be investigated when the
249.25 evidence shows that their conduct is related to the financial misconduct of a provider, license
249.26 holder, or controlling individual. When the alleged or suspected financial misconduct relates
249.27 to acting as a recruiter offering conditional employment on behalf of a provider that has
249.28 received funds from the child care assistance program, the department may investigate the
249.29 provider, center owner, director, manager, license holder, or other controlling individual or
249.30 agent, who is alleged to have acted as a recruiter offering conditional employment.

249.31 **EFFECTIVE DATE.** This section is effective April 23, 2018.

250.1 Sec. 24. Minnesota Statutes 2016, section 245E.02, subdivision 3, is amended to read:

250.2 Subd. 3. **Determination of investigation.** After completing its investigation, the
250.3 department shall ~~issue one of the following determinations~~ determine that:

250.4 (1) no violation of child care assistance requirements occurred;

250.5 (2) there is insufficient evidence to show that a violation of child care assistance
250.6 requirements occurred;

250.7 (3) a preponderance of evidence shows a violation of child care assistance program law,
250.8 rule, or policy; or

250.9 (4) there exists a credible allegation of fraud involving the child care assistance program.

250.10 **EFFECTIVE DATE.** This section is effective April 23, 2018.

250.11 Sec. 25. Minnesota Statutes 2016, section 245E.02, subdivision 4, is amended to read:

250.12 Subd. 4. ~~**Actions Referrals or administrative sanctions actions.**~~ **actions.** (a) After completing
250.13 the determination under subdivision 3, the department may take one or more of the actions
250.14 or sanctions specified in this subdivision.

218.3 Subd. 6a. **Credible allegation of fraud.** "Credible allegation of fraud" has the meaning
218.4 given in section 256B.064, subdivision 2, paragraph (b), clause (2).

218.5 **EFFECTIVE DATE.** This section is effective July 1, 2017.

218.6 Sec. 31. Minnesota Statutes 2016, section 245E.02, subdivision 1, is amended to read:

218.7 Subdivision 1. **Investigating provider or recipient financial misconduct.** The
218.8 department shall investigate alleged or suspected financial misconduct by providers and
218.9 errors related to payments issued by the child care assistance program under this chapter.
218.10 Recipients, employees, agents and consultants, and staff may be investigated when the
218.11 evidence shows that their conduct is related to the financial misconduct of a provider, license
218.12 holder, or controlling individual. When the alleged or suspected financial misconduct relates
218.13 to acting as a recruiter offering conditional employment on behalf of a provider that has
218.14 received funds from the child care assistance program, the department may investigate the
218.15 provider, center owner, director, manager, license holder, or other controlling individual or
218.16 agent, who is alleged to have acted as a recruiter offering conditional employment.

218.17 **EFFECTIVE DATE.** This section is effective April 23, 2018.

218.18 Sec. 32. Minnesota Statutes 2016, section 245E.02, subdivision 3, is amended to read:

218.19 Subd. 3. **Determination of investigation.** After completing its investigation, the
218.20 department shall ~~issue one of the following determinations~~ determine that:

218.21 (1) no violation of child care assistance requirements occurred;

218.22 (2) there is insufficient evidence to show that a violation of child care assistance
218.23 requirements occurred;

218.24 (3) a preponderance of evidence shows a violation of child care assistance program law,
218.25 rule, or policy; or

218.26 (4) there exists a credible allegation of fraud involving the child care assistance program.

218.27 **EFFECTIVE DATE.** This section is effective April 23, 2018.

219.1 Sec. 33. Minnesota Statutes 2016, section 245E.02, subdivision 4, is amended to read:

219.2 Subd. 4. ~~**Actions Referrals or administrative sanctions actions.**~~ **actions.** (a) After completing
219.3 the determination under subdivision 3, the department may take one or more of the actions
219.4 or sanctions specified in this subdivision.

250.15 (b) The department may take any of the following actions:

250.16 (1) refer the investigation to law enforcement or a county attorney for possible criminal
250.17 prosecution;

250.18 (2) refer relevant information to the department's licensing division, the background
250.19 studies division, the child care assistance program, the Department of Education, the federal
250.20 child and adult care food program, or appropriate child or adult protection agency;

250.21 (3) enter into a settlement agreement with a provider, license holder, owner, agent,
250.22 controlling individual, or recipient; or

250.23 (4) refer the matter for review by a prosecutorial agency with appropriate jurisdiction
250.24 for possible civil action under the Minnesota False Claims Act, chapter 15C.

250.25 (c) In addition to section 256.98, the department may impose sanctions by:

250.26 (1) pursuing administrative disqualification through hearings or waivers;

250.27 (2) establishing and seeking monetary recovery or recoupment;

250.28 (3) issuing an order of corrective action that states the practices that are violations of
250.29 child care assistance program policies, laws, or regulations, and that they must be corrected;
250.30 ~~or~~

251.1 (4) suspending, ~~denying, or terminating~~ payments to a provider; or

251.2 (5) taking an action under section 119B.13, subdivision 6, paragraph (d).

251.3 (d) ~~Upon a finding by~~ If the commissioner determines that any child care provider, center
251.4 owner, director, manager, license holder, or other controlling individual of a child care
251.5 center has employed, used, or acted as a recruiter offering conditional employment for a
251.6 child care center that has received child care assistance program funding, the commissioner
251.7 shall:

251.8 (1) immediately suspend all program payments to all child care centers in which the
251.9 person employing, using, or acting as a recruiter offering conditional employment is an
251.10 owner, director, manager, license holder, or other controlling individual. The commissioner
251.11 shall suspend program payments under this clause even if services have already been
251.12 provided; and

219.5 (b) The department may take any of the following actions:

219.6 (1) refer the investigation to law enforcement or a county attorney for possible criminal
219.7 prosecution;

219.8 (2) refer relevant information to the department's licensing division, the background
219.9 studies division, the child care assistance program, the Department of Education, the federal
219.10 child and adult care food program, or appropriate child or adult protection agency;

219.11 (3) enter into a settlement agreement with a provider, license holder, owner, agent,
219.12 controlling individual, or recipient; or

219.13 (4) refer the matter for review by a prosecutorial agency with appropriate jurisdiction
219.14 for possible civil action under the Minnesota False Claims Act, chapter 15C.

219.15 (c) In addition to section 256.98, the department may impose sanctions by:

219.16 (1) pursuing administrative disqualification through hearings or waivers;

219.17 (2) establishing and seeking monetary recovery or recoupment;

219.18 (3) issuing an order of corrective action that states the practices that are violations of
219.19 child care assistance program policies, laws, or regulations, and that they must be corrected;
219.20 ~~or~~

219.21 (4) suspending, ~~denying, or terminating~~ payments to a provider; or

219.22 (5) taking an action under section 119B.13, subdivision 6, paragraph (d).

219.23 (d) ~~Upon a finding by~~ If the commissioner determines that any child care provider, center
219.24 owner, director, manager, license holder, or other controlling individual of a child care
219.25 center has employed, used, or acted as a recruiter offering conditional employment for a
219.26 child care center that has received child care assistance program funding, the commissioner
219.27 shall:

219.28 (1) immediately suspend all program payments to all child care centers in which the
219.29 person employing, using, or acting as a recruiter offering conditional employment is an
219.30 owner, director, manager, license holder, or other controlling individual. The commissioner
220.1 shall suspend program payments under this clause even if services have already been
220.2 provided; and

251.13 (2) immediately and permanently revoke the licenses of all child care centers of which
251.14 the person employing, using, or acting as a recruiter offering conditional employment is an
251.15 owner, director, manager, license holder, or other controlling individual.

251.16 **EFFECTIVE DATE.** This section is effective April 23, 2018.

251.17 Sec. 26. Minnesota Statutes 2016, section 245E.03, subdivision 2, is amended to read:

251.18 Subd. 2. **Failure to provide access.** ~~Failure to provide access may result in denial or~~
251.19 ~~termination of authorizations for or payments to a recipient, provider, license holder, or~~
251.20 ~~controlling individual in the child care assistance program. If a provider fails to grant the~~
251.21 ~~department immediate access to records, the department may immediately suspend payments~~
251.22 ~~under section 119B.161, or the department may deny or revoke the provider's authorization.~~
251.23 A provider, license holder, controlling individual, employee, or staff member must grant
251.24 the department access during any hours that the program is open to examine the provider's
251.25 program or the records listed in section 245E.05. A provider shall make records immediately
251.26 available at the provider's place of business at the time the department requests access,
251.27 unless the provider and the department both agree otherwise.

251.28 **EFFECTIVE DATE.** This section is effective April 23, 2018.

251.29 Sec. 27. Minnesota Statutes 2016, section 245E.03, subdivision 4, is amended to read:

251.30 Subd. 4. **Continued or repeated failure to provide access.** If the provider continues
251.31 to fail to provide access at the expiration of the 15-day notice period, child care assistance
251.32 program payments to the provider must be ~~denied~~ suspended beginning the 16th day
252.1 following notice of the initial failure or refusal to provide access. ~~The department may~~
252.2 ~~revoke the denial based upon good cause if the provider submits in writing a good cause~~
252.3 ~~basis for having failed or refused to provide access. The writing must be postmarked no~~
252.4 ~~later than the 15th day following the provider's notice of initial failure to provide access. A~~
252.5 ~~provider's, license holder's, controlling individual's, employee's, staff member's, or recipient's~~
252.6 ~~duty to provide access in this section continues after the provider's authorization is denied,~~
252.7 ~~revoked, or suspended. Additionally, the provider, license holder, or controlling individual~~
252.8 ~~must immediately provide complete, ongoing access to the department. Repeated failures~~
252.9 ~~to provide access must, after the initial failure or for any subsequent failure, result in~~
252.10 ~~termination from participation in the child care assistance program.~~

252.11 **EFFECTIVE DATE.** This section is effective April 23, 2018.

252.12 Sec. 28. Minnesota Statutes 2016, section 245E.04, is amended to read:

252.13 **245E.04 HONEST AND TRUTHFUL STATEMENTS.**

220.3 (2) immediately and permanently revoke the licenses of all child care centers of which
220.4 the person employing, using, or acting as a recruiter offering conditional employment is an
220.5 owner, director, manager, license holder, or other controlling individual.

220.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

220.7 Sec. 34. Minnesota Statutes 2016, section 245E.03, subdivision 2, is amended to read:

220.8 Subd. 2. **Failure to provide access.** ~~Failure to provide access may result in denial or~~
220.9 ~~termination of authorizations for or payments to a recipient, provider, license holder, or~~
220.10 ~~controlling individual in the child care assistance program. If a provider fails to grant the~~
220.11 ~~department immediate access to records, the department may immediately suspend payments~~
220.12 ~~under section 119B.161, or the department may deny or revoke the provider's authorization.~~
220.13 A provider, license holder, controlling individual, employee, or staff member must grant
220.14 the department access during any hours that the program is open to examine the provider's
220.15 program or the records listed in section 245E.05. A provider shall make records immediately
220.16 available at the provider's place of business at the time the department requests access,
220.17 unless the provider and the department both agree otherwise.

220.18 **EFFECTIVE DATE.** This section is effective April 23, 2018.

220.19 Sec. 35. Minnesota Statutes 2016, section 245E.03, subdivision 4, is amended to read:

220.20 Subd. 4. **Continued or repeated failure to provide access.** If the provider continues
220.21 to fail to provide access at the expiration of the 15-day notice period, child care assistance
220.22 program payments to the provider must be ~~denied~~ suspended beginning the 16th day
220.23 following notice of the initial failure or refusal to provide access. ~~The department may~~
220.24 ~~revoke the denial based upon good cause if the provider submits in writing a good cause~~
220.25 ~~basis for having failed or refused to provide access. The writing must be postmarked no~~
220.26 ~~later than the 15th day following the provider's notice of initial failure to provide access. A~~
220.27 ~~provider's, license holder's, controlling individual's, employee's, staff member's, or recipient's~~
220.28 ~~duty to provide access in this section continues after the provider's authorization is denied,~~
220.29 ~~revoked, or suspended. Additionally, the provider, license holder, or controlling individual~~
220.30 ~~must immediately provide complete, ongoing access to the department. Repeated failures~~
220.31 ~~to provide access must, after the initial failure or for any subsequent failure, result in~~
220.32 ~~termination from participation in the child care assistance program.~~

221.1 **EFFECTIVE DATE.** This section is effective April 23, 2018.

221.2 Sec. 36. Minnesota Statutes 2016, section 245E.04, is amended to read:

221.3 **245E.04 HONEST AND TRUTHFUL STATEMENTS.**

252.14 It shall be unlawful for a provider, license holder, controlling individual, or recipient to:

252.15 (1) falsify, conceal, or cover up by any ~~trick, scheme, or device a material fact~~ means;

252.16 (2) make any materially false, fictitious, or fraudulent statement or representation; or

252.17 (3) make or use any false writing or document knowing the same to contain any materially
252.18 false, fictitious, or fraudulent statement or entry related to any child care assistance program
252.19 services that the provider, license holder, or controlling individual supplies or in relation to
252.20 any child care assistance payments received by a provider, license holder, or controlling
252.21 individual or to any fraud investigator or law enforcement officer conducting a financial
252.22 misconduct investigation.

252.23 **EFFECTIVE DATE.** This section is effective April 23, 2018.

252.24 Sec. 29. Minnesota Statutes 2016, section 245E.05, subdivision 1, is amended to read:

252.25 Subdivision 1. **Records required to be retained.** The following records must be
252.26 maintained, controlled, and made immediately accessible to license holders, providers, and
252.27 controlling individuals. The records must be organized and labeled to correspond to categories
252.28 that make them easy to identify so that they can be made available immediately upon request
252.29 to an investigator acting on behalf of the commissioner at the provider's place of business:

252.30 (1) payroll ledgers, canceled checks, bank deposit slips, and any other accounting records;

253.1 (2) daily attendance records required by and that comply with section 119B.125,
253.2 subdivision 6;

253.3 (3) billing transmittal forms requesting payments from the child care assistance program
253.4 and billing adjustments related to child care assistance program payments;

253.5 (4) records identifying all persons, corporations, partnerships, and entities with an
253.6 ownership or controlling interest in the provider's child care business;

253.7 (5) employee or contractor records identifying those persons currently employed by the
253.8 provider's child care business or who have been employed by the business at any time within
253.9 the previous five years. The records must include each employee's name, hourly and annual
253.10 salary, qualifications, position description, job title, and dates of employment. In addition,
253.11 employee records that must be made available include the employee's time sheets, current
253.12 home address of the employee or last known address of any former employee, and
253.13 documentation of background studies required under chapter 119B or 245C;

221.4 It shall be unlawful for a provider, license holder, controlling individual, or recipient to:

221.5 (1) falsify, conceal, or cover up by any ~~trick, scheme, or device a material fact~~ means a
221.6 material fact;

221.7 (2) make any materially false, fictitious, or fraudulent statement or representation; or

221.8 (3) make or use any false writing or document knowing the same to contain any materially
221.9 false, fictitious, or fraudulent statement or entry related to any child care assistance program
221.10 services that the provider, license holder, or controlling individual supplies or in relation to
221.11 any child care assistance payments received by a provider, license holder, or controlling
221.12 individual or to any fraud investigator or law enforcement officer conducting a financial
221.13 misconduct investigation.

221.14 **EFFECTIVE DATE.** This section is effective April 23, 2018.

221.15 Sec. 37. Minnesota Statutes 2016, section 245E.05, subdivision 1, is amended to read:

221.16 Subdivision 1. **Records required to be retained.** The following records must be
221.17 maintained, controlled, and made immediately accessible to license holders, providers, and
221.18 controlling individuals. The records must be organized and labeled to correspond to categories
221.19 that make them easy to identify so that they can be made available immediately upon request
221.20 to an investigator acting on behalf of the commissioner at the provider's place of business:

221.21 (1) payroll ledgers, canceled checks, bank deposit slips, and any other accounting records;

221.22 (2) daily attendance records required by and that comply with section 119B.125,
221.23 subdivision 6;

221.24 (3) billing transmittal forms requesting payments from the child care assistance program
221.25 and billing adjustments related to child care assistance program payments;

221.26 (4) records identifying all persons, corporations, partnerships, and entities with an
221.27 ownership or controlling interest in the provider's child care business;

221.28 (5) employee or contractor records identifying those persons currently employed by the
221.29 provider's child care business or who have been employed by the business at any time within
221.30 the previous five years. The records must include each employee's name, hourly and annual
222.1 salary, qualifications, position description, job title, and dates of employment. In addition,
222.2 employee records that must be made available include the employee's time sheets, current
222.3 home address of the employee or last known address of any former employee, and
222.4 documentation of background studies required under chapter 119B or 245C;

253.14 (6) records related to transportation of children in care, including but not limited to:

253.15 (i) the dates and times that transportation is provided to children for transportation to
253.16 and from the provider's business location for any purpose. For transportation related to field
253.17 trips or locations away from the provider's business location, the names and addresses of
253.18 those field trips and locations must also be provided;

253.19 (ii) the name, business address, phone number, and Web site address, if any, of the
253.20 transportation service utilized; and

253.21 (iii) all billing or transportation records related to the transportation.

253.22 **EFFECTIVE DATE.** This section is effective April 23, 2018.

253.23 Sec. 30. Minnesota Statutes 2016, section 245E.06, subdivision 1, is amended to read:

253.24 Subdivision 1. **Factors regarding imposition of administrative ~~sanctions~~ actions.** (a)
253.25 The department shall consider the following factors in determining the administrative
253.26 ~~sanctions~~ actions to be imposed:

253.27 (1) nature and extent of financial misconduct;

253.28 (2) history of financial misconduct;

253.29 (3) actions taken or recommended by other state agencies, other divisions of the
253.30 department, and court and administrative decisions;

253.31 (4) prior ~~imposition of sanctions~~ actions;

254.1 (5) size and type of provider;

254.2 (6) information obtained through an investigation from any source;

254.3 (7) convictions or pending criminal charges; and

254.4 (8) any other information relevant to the acts or omissions related to the financial
254.5 misconduct.

254.6 (b) Any single factor under paragraph (a) may be determinative of the department's
254.7 decision of whether and what ~~sanctions are imposed~~ actions to take.

222.5 (6) records related to transportation of children in care, including but not limited to:

222.6 (i) the dates and times that transportation is provided to children for transportation to
222.7 and from the provider's business location for any purpose. For transportation related to field
222.8 trips or locations away from the provider's business location, the names and addresses of
222.9 those field trips and locations must also be provided;

222.10 (ii) the name, business address, phone number, and Web site address, if any, of the
222.11 transportation service utilized; and

222.12 (iii) all billing or transportation records related to the transportation.

222.13 **EFFECTIVE DATE.** This section is effective April 23, 2018.

222.14 Sec. 38. Minnesota Statutes 2016, section 245E.06, subdivision 1, is amended to read:

222.15 Subdivision 1. **Factors regarding imposition of administrative ~~sanctions~~ actions.** (a)
222.16 The department shall consider the following factors in determining the administrative
222.17 ~~sanctions~~ actions to be imposed:

222.18 (1) nature and extent of financial misconduct;

222.19 (2) history of financial misconduct;

222.20 (3) actions taken or recommended by other state agencies, other divisions of the
222.21 department, and court and administrative decisions;

222.22 (4) prior ~~imposition of sanctions~~ actions;

222.23 (5) size and type of provider;

222.24 (6) information obtained through an investigation from any source;

222.25 (7) convictions or pending criminal charges; and

222.26 (8) any other information relevant to the acts or omissions related to the financial
222.27 misconduct.

222.28 (b) Any single factor under paragraph (a) may be determinative of the department's
222.29 decision of whether and what ~~sanctions are imposed~~ actions to take.

254.8 **EFFECTIVE DATE.** This section is effective April 23, 2018.

254.9 Sec. 31. Minnesota Statutes 2016, section 245E.06, subdivision 2, is amended to read:

254.10 Subd. 2. ~~Written notice of department ~~sanction action~~; ~~sanction action~~ effective~~
254.11 ~~date; informal meeting.~~ (a) The department shall give notice in writing to a person of an
254.12 administrative sanction that is to be imposed. The notice shall be sent by mail as defined in
254.13 section 245E.01, subdivision 11.

254.14 (b) The notice shall state:

254.15 (1) the factual basis for the department's determination;

254.16 (2) the sanction the department intends to take;

254.17 (3) the dollar amount of the monetary recovery or recoupment, if any;

254.18 (4) how the dollar amount was computed;

254.19 (5) the right to dispute the department's determination and to provide evidence;

254.20 (6) the right to appeal the department's proposed sanction; and

254.21 (7) the option to meet informally with department staff, and to bring additional
254.22 documentation or information, to resolve the issues.

254.23 (e) In cases of determinations resulting in denial or termination of payments, in addition
254.24 to the requirements of paragraph (b), the notice must state:

254.25 (1) the length of the denial or termination;

254.26 (2) the requirements and procedures for reinstatement; and

254.27 (3) the provider's right to submit documents and written arguments against the denial
254.28 or termination of payments for review by the department before the effective date of denial
254.29 or termination.

255.1 (d) The submission of documents and written argument for review by the department
255.2 under paragraph (b), clause (5) or (7), or paragraph (c), clause (3), does not stay the deadline
255.3 for filing an appeal.

222.30 **EFFECTIVE DATE.** This section is effective April 23, 2018.

223.1 Sec. 39. Minnesota Statutes 2016, section 245E.06, subdivision 2, is amended to read:

223.2 Subd. 2. ~~Written notice of department ~~sanction action~~; ~~sanction action~~ effective~~
223.3 ~~date; informal meeting.~~ (a) The department shall give notice in writing to a person of an
223.4 administrative sanction that is to be imposed. The notice shall be sent by mail as defined in
223.5 section 245E.01, subdivision 11.

223.6 (b) The notice shall state:

223.7 (1) the factual basis for the department's determination;

223.8 (2) the sanction the department intends to take;

223.9 (3) the dollar amount of the monetary recovery or recoupment, if any;

223.10 (4) how the dollar amount was computed;

223.11 (5) the right to dispute the department's determination and to provide evidence;

223.12 (6) the right to appeal the department's proposed sanction; and

223.13 (7) the option to meet informally with department staff, and to bring additional
223.14 documentation or information, to resolve the issues.

223.15 (e) In cases of determinations resulting in denial or termination of payments, in addition
223.16 to the requirements of paragraph (b), the notice must state:

223.17 (1) the length of the denial or termination;

223.18 (2) the requirements and procedures for reinstatement; and

223.19 (3) the provider's right to submit documents and written arguments against the denial
223.20 or termination of payments for review by the department before the effective date of denial
223.21 or termination.

223.22 (d) The submission of documents and written argument for review by the department
223.23 under paragraph (b), clause (5) or (7), or paragraph (c), clause (3), does not stay the deadline
223.24 for filing an appeal.

255.4 (a) When taking an action against a provider, the department must give notice to:

255.5 (1) the provider as specified in section 119B.16 or 119B.161; and

255.6 (2) a family as specified under Minnesota Rules, part 3400.0185, or section 119B.161.

255.7 ~~(e)~~ (b) Notwithstanding section 245E.03, subdivision 4, and except for a payment

255.8 suspension or action under section 119B.161, subdivision 1, the effective date of the proposed

255.9 ~~sanction action under this chapter shall be 30 days after the license holder's, provider's,~~

255.10 controlling individual's, or recipient's receipt of the notice, unless timely appealed. If a

255.11 timely appeal is made, the proposed ~~sanction action~~ shall be delayed pending the final

255.12 outcome of the appeal. Implementation of a proposed ~~sanction action~~ following the resolution

255.13 of a timely appeal may be postponed if, in the opinion of the department, the delay of

255.14 ~~sanction action~~ is necessary to protect the health or safety of children in care. ~~The department~~

255.15 ~~may consider the economic hardship of a person in implementing the proposed sanction,~~

255.16 ~~but economic hardship shall not be a determinative factor in implementing the proposed~~

255.17 ~~sanction.~~

255.18 (f) Requests for an informal meeting to attempt to resolve issues and requests for appeals

255.19 ~~must be sent or delivered to the department's Office of Inspector General, Financial Fraud~~

255.20 ~~and Abuse Division.~~

255.21 EFFECTIVE DATE. This section is effective April 23, 2018.

255.22 Sec. 32. Minnesota Statutes 2016, section 245E.06, subdivision 3, is amended to read:

255.23 Subd. 3. **Appeal of department ~~sanction action~~.** (a) If the department does not pursue

255.24 a criminal action against a provider, license holder, controlling individual, or recipient for

255.25 financial misconduct, but the department imposes an administrative sanction under section

255.26 245E.02, subdivision 4, paragraph (c), any individual or entity against whom the sanction

255.27 was imposed may appeal the department's administrative sanction under this section pursuant

255.28 to section 119B.16 or 256.045 with the additional requirements in clauses (1) to (4). An

255.29 appeal must specify:

255.30 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount

255.31 involved for each disputed item, if appropriate;

255.32 (2) the computation that is believed to be correct, if appropriate;

256.1 (3) the authority in the statute or rule relied upon for each disputed item; and

223.25 (a) When taking an action against a provider, the department must give notice to:

223.26 (1) the provider as specified in section 119B.16 or 119B.161; and

223.27 (2) a family as specified under section 119B.161 or Minnesota Rules, part 3400.0185.

223.28 ~~(e)~~ (b) Notwithstanding section 245E.03, subdivision 4, and except for a payment

223.29 suspension or action under section 119B.161, subdivision 1, the effective date of the proposed

223.30 ~~sanction action under this chapter shall be 30 days after the license holder's, provider's,~~

224.1 controlling individual's, or recipient's receipt of the notice, unless timely appealed. If a

224.2 timely appeal is made, the proposed ~~sanction action~~ shall be delayed pending the final

224.3 outcome of the appeal. Implementation of a proposed ~~sanction action~~ following the resolution

224.4 of a timely appeal may be postponed if, in the opinion of the department, the delay of

224.5 ~~sanction action~~ is necessary to protect the health or safety of children in care. ~~The department~~

224.6 ~~may consider the economic hardship of a person in implementing the proposed sanction,~~

224.7 ~~but economic hardship shall not be a determinative factor in implementing the proposed~~

224.8 ~~sanction.~~

224.9 (f) Requests for an informal meeting to attempt to resolve issues and requests for appeals

224.10 ~~must be sent or delivered to the department's Office of Inspector General, Financial Fraud~~

224.11 ~~and Abuse Division.~~

224.12 EFFECTIVE DATE. This section is effective April 23, 2018.

224.13 Sec. 40. Minnesota Statutes 2016, section 245E.06, subdivision 3, is amended to read:

224.14 Subd. 3. **Appeal of department ~~sanction action~~.** (a) If the department does not pursue

224.15 a criminal action against a provider, license holder, controlling individual, or recipient for

224.16 financial misconduct, but the department imposes an administrative sanction under section

224.17 245E.02, subdivision 4, paragraph (c), any individual or entity against whom the sanction

224.18 was imposed may appeal the department's administrative sanction under this section pursuant

224.19 to section 119B.16 or 256.045 with the additional requirements in clauses (1) to (4). An

224.20 appeal must specify:

224.21 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount

224.22 involved for each disputed item, if appropriate;

224.23 (2) the computation that is believed to be correct, if appropriate;

224.24 (3) the authority in the statute or rule relied upon for each disputed item; and

256.2 ~~(4) the name, address, and phone number of the person at the provider's place of business~~
 256.3 ~~with whom contact may be made regarding the appeal.~~

256.4 ~~(b) Notwithstanding section 245E.03, subdivision 4, an appeal is considered timely only~~
 256.5 ~~if postmarked or received by the department's Appeals Division within 30 days after receiving~~
 256.6 ~~a notice of department sanction.~~

256.7 ~~(c) Before the appeal hearing, the department may deny or terminate authorizations or~~
 256.8 ~~payment to the entity or individual if the department determines that the action is necessary~~
 256.9 ~~to protect the public welfare or the interests of the child care assistance program.~~

256.10 A provider's rights related to an action taken under this chapter are established in sections
 256.11 119B.16 and 119B.161.

256.12 **EFFECTIVE DATE.** This section is effective April 23, 2018.

256.13 Sec. 33. Minnesota Statutes 2016, section 245E.07, subdivision 1, is amended to read:

256.14 Subdivision 1. **Grounds for and methods of monetary recovery.** (a) The department
 256.15 may obtain monetary recovery from a provider who has been improperly paid by the child
 256.16 care assistance program, regardless of whether the error was on the part of the provider, the
 256.17 department, or the county and regardless of whether the error was intentional or county
 256.18 error. The department does not need to establish a pattern as a precondition of monetary
 256.19 recovery of erroneous or false billing claims, duplicate billing claims, or billing claims
 256.20 based on false statements or financial misconduct.

256.21 (b) The department shall obtain monetary recovery from providers by the following
 256.22 means:

256.23 (1) permitting voluntary repayment of money, either in lump-sum payment or installment
 256.24 payments;

256.25 (2) using any legal collection process;

256.26 (3) deducting or withholding program payments; or

256.27 (4) utilizing the means set forth in chapter 16D.

256.28 **EFFECTIVE DATE.** This section is effective April 23, 2018.

224.25 ~~(4) the name, address, and phone number of the person at the provider's place of business~~
 224.26 ~~with whom contact may be made regarding the appeal.~~

224.27 ~~(b) Notwithstanding section 245E.03, subdivision 4, an appeal is considered timely only~~
 224.28 ~~if postmarked or received by the department's Appeals Division within 30 days after receiving~~
 224.29 ~~a notice of department sanction.~~

224.30 ~~(c) Before the appeal hearing, the department may deny or terminate authorizations or~~
 224.31 ~~payment to the entity or individual if the department determines that the action is necessary~~
 224.32 ~~to protect the public welfare or the interests of the child care assistance program.~~

225.1 A provider's rights related to an action taken under this chapter are established in sections
 225.2 119B.16 and 119B.161.

225.3 **EFFECTIVE DATE.** This section is effective April 23, 2018.

225.4 Sec. 41. Minnesota Statutes 2016, section 245E.07, subdivision 1, is amended to read:

225.5 Subdivision 1. **Grounds for and methods of monetary recovery.** (a) The department
 225.6 may obtain monetary recovery from a provider who has been improperly paid by the child
 225.7 care assistance program, regardless of whether the error was on the part of the provider, the
 225.8 department, or the county and regardless of whether the error was intentional or county
 225.9 error. The department does not need to establish a pattern as a precondition of monetary
 225.10 recovery of erroneous or false billing claims, duplicate billing claims, or billing claims
 225.11 based on false statements or financial misconduct.

225.12 (b) The department shall obtain monetary recovery from providers by the following
 225.13 means:

225.14 (1) permitting voluntary repayment of money, either in lump-sum payment or installment
 225.15 payments;

225.16 (2) using any legal collection process;

225.17 (3) deducting or withholding program payments; or

225.18 (4) utilizing the means set forth in chapter 16D.

225.19 **EFFECTIVE DATE.** This section is effective April 23, 2018.

HOUSE ART. 2, SEC. 5

257.1 Sec. 34. Minnesota Statutes 2016, section 252.27, subdivision 2a, is amended to read:

257.2 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
257.3 including a child determined eligible for medical assistance without consideration of parental
257.4 income, must contribute to the cost of services used by making monthly payments on a
257.5 sliding scale based on income, unless the child is married or has been married, parental
257.6 rights have been terminated, or the child's adoption is subsidized according to chapter 259A
257.7 or through title IV-E of the Social Security Act. The parental contribution is a partial or full
257.8 payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating,
257.9 rehabilitation, maintenance, and personal care services as defined in United States Code,
257.10 title 26, section 213, needed by the child with a chronic illness or disability.

257.11 (b) For households with adjusted gross income equal to or greater than 275 percent of
257.12 federal poverty guidelines, the parental contribution shall be computed by applying the
257.13 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

257.14 (1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty
257.15 guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental
257.16 contribution shall be determined using a sliding fee scale established by the commissioner
257.17 of human services which begins at ~~2-23~~ 1.94 percent of adjusted gross income at 275 percent
257.18 of federal poverty guidelines and increases to ~~6-08~~ 5.29 percent of adjusted gross income
257.19 for those with adjusted gross income up to 545 percent of federal poverty guidelines;

257.20 (2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines
257.21 and less than 675 percent of federal poverty guidelines, the parental contribution shall be
257.22 ~~6-08~~ 5.29 percent of adjusted gross income;

257.23 (3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
257.24 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution
257.25 shall be determined using a sliding fee scale established by the commissioner of human
257.26 services which begins at ~~6-08~~ 5.29 percent of adjusted gross income at 675 percent of federal
257.27 poverty guidelines and increases to ~~8-1~~ 7.05 percent of adjusted gross income for those with
257.28 adjusted gross income up to 975 percent of federal poverty guidelines; and

257.29 (4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
257.30 guidelines, the parental contribution shall be ~~10-13~~ 8.81 percent of adjusted gross income.

257.31 If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400
257.32 prior to calculating the parental contribution. If the child resides in an institution specified
257.33 in section 256B.35, the parent is responsible for the personal needs allowance specified
257.34 under that section in addition to the parental contribution determined under this section.
258.1 The parental contribution is reduced by any amount required to be paid directly to the child
258.2 pursuant to a court order, but only if actually paid.

83.10 Sec. 5. Minnesota Statutes 2016, section 252.27, subdivision 2a, is amended to read:

83.11 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
83.12 including a child determined eligible for medical assistance without consideration of parental
83.13 income, must contribute to the cost of services used by making monthly payments on a
83.14 sliding scale based on income, unless the child is married or has been married, parental
83.15 rights have been terminated, or the child's adoption is subsidized according to chapter 259A
83.16 or through title IV-E of the Social Security Act. The parental contribution is a partial or full
83.17 payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating,
83.18 rehabilitation, maintenance, and personal care services as defined in United States Code,
83.19 title 26, section 213, needed by the child with a chronic illness or disability.

83.20 (b) For households with adjusted gross income equal to or greater than 275 percent of
83.21 federal poverty guidelines, the parental contribution shall be computed by applying the
83.22 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

83.23 (1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty
83.24 guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental
83.25 contribution shall be determined using a sliding fee scale established by the commissioner
83.26 of human services which begins at ~~2-23~~ 1.6725 percent of adjusted gross income at 275
83.27 percent of federal poverty guidelines and increases to ~~6-08~~ 4.56 percent of adjusted gross
83.28 income for those with adjusted gross income up to 545 percent of federal poverty guidelines;

83.29 (2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines
83.30 and less than 675 percent of federal poverty guidelines, the parental contribution shall be
83.31 ~~6-08~~ 4.56 percent of adjusted gross income;

83.32 (3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
83.33 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution
84.1 shall be determined using a sliding fee scale established by the commissioner of human
84.2 services which begins at ~~6-08~~ 4.56 percent of adjusted gross income at 675 percent of federal
84.3 poverty guidelines and increases to ~~8-1~~ 6.075 percent of adjusted gross income for those
84.4 with adjusted gross income up to 975 percent of federal poverty guidelines; and

84.5 (4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
84.6 guidelines, the parental contribution shall be ~~10-13~~ 7.5975 percent of adjusted gross income.

84.7 If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400
84.8 prior to calculating the parental contribution. If the child resides in an institution specified
84.9 in section 256B.35, the parent is responsible for the personal needs allowance specified
84.10 under that section in addition to the parental contribution determined under this section.
84.11 The parental contribution is reduced by any amount required to be paid directly to the child
84.12 pursuant to a court order, but only if actually paid.

258.3 (c) The household size to be used in determining the amount of contribution under
258.4 paragraph (b) includes natural and adoptive parents and their dependents, including the
258.5 child receiving services. Adjustments in the contribution amount due to annual changes in
258.6 the federal poverty guidelines shall be implemented on the first day of July following
258.7 publication of the changes.

258.8 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
258.9 natural or adoptive parents determined according to the previous year's federal tax form,
258.10 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
258.11 have been used to purchase a home shall not be counted as income.

258.12 (e) The contribution shall be explained in writing to the parents at the time eligibility
258.13 for services is being determined. The contribution shall be made on a monthly basis effective
258.14 with the first month in which the child receives services. Annually upon redetermination
258.15 or at termination of eligibility, if the contribution exceeded the cost of services provided,
258.16 the local agency or the state shall reimburse that excess amount to the parents, either by
258.17 direct reimbursement if the parent is no longer required to pay a contribution, or by a
258.18 reduction in or waiver of parental fees until the excess amount is exhausted. All
258.19 reimbursements must include a notice that the amount reimbursed may be taxable income
258.20 if the parent paid for the parent's fees through an employer's health care flexible spending
258.21 account under the Internal Revenue Code, section 125, and that the parent is responsible
258.22 for paying the taxes owed on the amount reimbursed.

258.23 (f) The monthly contribution amount must be reviewed at least every 12 months; when
258.24 there is a change in household size; and when there is a loss of or gain in income from one
258.25 month to another in excess of ten percent. The local agency shall mail a written notice 30
258.26 days in advance of the effective date of a change in the contribution amount. A decrease in
258.27 the contribution amount is effective in the month that the parent verifies a reduction in
258.28 income or change in household size.

258.29 (g) Parents of a minor child who do not live with each other shall each pay the
258.30 contribution required under paragraph (a). An amount equal to the annual court-ordered
258.31 child support payment actually paid on behalf of the child receiving services shall be deducted
258.32 from the adjusted gross income of the parent making the payment prior to calculating the
258.33 parental contribution under paragraph (b).

259.1 (h) The contribution under paragraph (b) shall be increased by an additional five percent
259.2 if the local agency determines that insurance coverage is available but not obtained for the
259.3 child. For purposes of this section, "available" means the insurance is a benefit of employment
259.4 for a family member at an annual cost of no more than five percent of the family's annual
259.5 income. For purposes of this section, "insurance" means health and accident insurance
259.6 coverage, enrollment in a nonprofit health service plan, health maintenance organization,
259.7 self-insured plan, or preferred provider organization.

84.13 (c) The household size to be used in determining the amount of contribution under
84.14 paragraph (b) includes natural and adoptive parents and their dependents, including the
84.15 child receiving services. Adjustments in the contribution amount due to annual changes in
84.16 the federal poverty guidelines shall be implemented on the first day of July following
84.17 publication of the changes.

84.18 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
84.19 natural or adoptive parents determined according to the previous year's federal tax form,
84.20 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
84.21 have been used to purchase a home shall not be counted as income.

84.22 (e) The contribution shall be explained in writing to the parents at the time eligibility
84.23 for services is being determined. The contribution shall be made on a monthly basis effective
84.24 with the first month in which the child receives services. Annually upon redetermination
84.25 or at termination of eligibility, if the contribution exceeded the cost of services provided,
84.26 the local agency or the state shall reimburse that excess amount to the parents, either by
84.27 direct reimbursement if the parent is no longer required to pay a contribution, or by a
84.28 reduction in or waiver of parental fees until the excess amount is exhausted. All
84.29 reimbursements must include a notice that the amount reimbursed may be taxable income
84.30 if the parent paid for the parent's fees through an employer's health care flexible spending
84.31 account under the Internal Revenue Code, section 125, and that the parent is responsible
84.32 for paying the taxes owed on the amount reimbursed.

84.33 (f) The monthly contribution amount must be reviewed at least every 12 months; when
84.34 there is a change in household size; and when there is a loss of or gain in income from one
85.1 month to another in excess of ten percent. The local agency shall mail a written notice 30
85.2 days in advance of the effective date of a change in the contribution amount. A decrease in
85.3 the contribution amount is effective in the month that the parent verifies a reduction in
85.4 income or change in household size.

85.5 (g) Parents of a minor child who do not live with each other shall each pay the
85.6 contribution required under paragraph (a). An amount equal to the annual court-ordered
85.7 child support payment actually paid on behalf of the child receiving services shall be deducted
85.8 from the adjusted gross income of the parent making the payment prior to calculating the
85.9 parental contribution under paragraph (b).

85.10 (h) The contribution under paragraph (b) shall be increased by an additional five percent
85.11 if the local agency determines that insurance coverage is available but not obtained for the
85.12 child. For purposes of this section, "available" means the insurance is a benefit of employment
85.13 for a family member at an annual cost of no more than five percent of the family's annual
85.14 income. For purposes of this section, "insurance" means health and accident insurance
85.15 coverage, enrollment in a nonprofit health service plan, health maintenance organization,
85.16 self-insured plan, or preferred provider organization.

259.8 Parents who have more than one child receiving services shall not be required to pay
259.9 more than the amount for the child with the highest expenditures. There shall be no resource
259.10 contribution from the parents. The parent shall not be required to pay a contribution in
259.11 excess of the cost of the services provided to the child, not counting payments made to
259.12 school districts for education-related services. Notice of an increase in fee payment must
259.13 be given at least 30 days before the increased fee is due.

259.14 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in
259.15 the 12 months prior to July 1:

259.16 (1) the parent applied for insurance for the child;

259.17 (2) the insurer denied insurance;

259.18 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a
259.19 complaint or appeal, in writing, to the commissioner of health or the commissioner of
259.20 commerce, or litigated the complaint or appeal; and

259.21 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

259.22 For purposes of this section, "insurance" has the meaning given in paragraph (h).

259.23 A parent who has requested a reduction in the contribution amount under this paragraph
259.24 shall submit proof in the form and manner prescribed by the commissioner or county agency,
259.25 including, but not limited to, the insurer's denial of insurance, the written letter or complaint
259.26 of the parents, court documents, and the written response of the insurer approving insurance.
259.27 The determinations of the commissioner or county agency under this paragraph are not rules
259.28 subject to chapter 14.

259.29 **EFFECTIVE DATE.** This section is effective July 1, 2017.

259.30 Sec. 35. Minnesota Statutes 2016, section 256.98, subdivision 8, is amended to read:

259.31 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
259.32 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
260.1 determination, or waiver thereof, through a disqualification consent agreement, or as part
260.2 of any approved diversion plan under section 401.065, or any court-ordered stay which
260.3 carries with it any probationary or other conditions, in the Minnesota family investment

85.17 Parents who have more than one child receiving services shall not be required to pay
85.18 more than the amount for the child with the highest expenditures. There shall be no resource
85.19 contribution from the parents. The parent shall not be required to pay a contribution in
85.20 excess of the cost of the services provided to the child, not counting payments made to
85.21 school districts for education-related services. Notice of an increase in fee payment must
85.22 be given at least 30 days before the increased fee is due.

85.23 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in
85.24 the 12 months prior to July 1:

85.25 (1) the parent applied for insurance for the child;

85.26 (2) the insurer denied insurance;

85.27 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a
85.28 complaint or appeal, in writing, to the commissioner of health or the commissioner of
85.29 commerce, or litigated the complaint or appeal; and

85.30 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

85.31 For purposes of this section, "insurance" has the meaning given in paragraph (h).

85.32 A parent who has requested a reduction in the contribution amount under this paragraph
85.33 shall submit proof in the form and manner prescribed by the commissioner or county agency,
86.1 including, but not limited to, the insurer's denial of insurance, the written letter or complaint
86.2 of the parents, court documents, and the written response of the insurer approving insurance.
86.3 The determinations of the commissioner or county agency under this paragraph are not rules
86.4 subject to chapter 14.

HOUSE ARTICLE 4 CONTINUED

225.20 Sec. 42. Minnesota Statutes 2016, section 256.98, subdivision 8, is amended to read:

225.21 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
225.22 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
225.23 determination, or waiver thereof, through a disqualification consent agreement, or as part
225.24 of any approved diversion plan under section 401.065, or any court-ordered stay which
225.25 carries with it any probationary or other conditions, in the Minnesota family investment

260.4 program and any affiliated program to include the diversionary work program and the work
 260.5 participation cash benefit program, the food stamp or food support program, the general
 260.6 assistance program, the group residential housing program, or the Minnesota supplemental
 260.7 aid program shall be disqualified from that program. In addition, any person disqualified
 260.8 from the Minnesota family investment program shall also be disqualified from the food
 260.9 stamp or food support program. The needs of that individual shall not be taken into
 260.10 consideration in determining the grant level for that assistance unit:

260.11 (1) for one year after the first offense;

260.12 (2) for two years after the second offense; and

260.13 (3) permanently after the third or subsequent offense.

260.14 The period of program disqualification shall begin on the date stipulated on the advance
 260.15 notice of disqualification without possibility of postponement for administrative stay or
 260.16 administrative hearing and shall continue through completion unless and until the findings
 260.17 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
 260.18 The period for which sanctions are imposed is not subject to review. The sanctions provided
 260.19 under this subdivision are in addition to, and not in substitution for, any other sanctions that
 260.20 may be provided for by law for the offense involved. A disqualification established through
 260.21 hearing or waiver shall result in the disqualification period beginning immediately unless
 260.22 the person has become otherwise ineligible for assistance. If the person is ineligible for
 260.23 assistance, the disqualification period begins when the person again meets the eligibility
 260.24 criteria of the program from which they were disqualified and makes application for that
 260.25 program.

260.26 (b) A family receiving assistance through child care assistance programs under chapter
 260.27 119B with a family member who is found to be guilty of wrongfully obtaining child care
 260.28 assistance by a federal court, state court, or an administrative hearing determination or
 260.29 waiver, through a disqualification consent agreement, as part of an approved diversion plan
 260.30 under section 401.065, or a court-ordered stay with probationary or other conditions, is
 260.31 disqualified from child care assistance programs. The disqualifications must be for periods
 260.32 of one year and two years for the first and second offenses, respectively. Subsequent
 260.33 violations must result in permanent disqualification. During the disqualification period,
 261.1 disqualification from any child care program must extend to all child care programs and
 261.2 must be immediately applied.

261.3 (c) A provider caring for children receiving assistance through child care assistance
 261.4 programs under chapter 119B is disqualified from receiving payment for child care services
 261.5 from the child care assistance program under chapter 119B when the provider is found to
 261.6 have wrongfully obtained child care assistance by a federal court, state court, or an
 261.7 administrative hearing determination or waiver under section 256.046, through a

225.26 program and any affiliated program to include the diversionary work program and the work
 225.27 participation cash benefit program, the food stamp or food support program, the general
 225.28 assistance program, the group residential housing program, or the Minnesota supplemental
 225.29 aid program shall be disqualified from that program. In addition, any person disqualified
 225.30 from the Minnesota family investment program shall also be disqualified from the food
 226.1 stamp or food support program. The needs of that individual shall not be taken into
 226.2 consideration in determining the grant level for that assistance unit:

226.3 (1) for one year after the first offense;

226.4 (2) for two years after the second offense; and

226.5 (3) permanently after the third or subsequent offense.

226.6 The period of program disqualification shall begin on the date stipulated on the advance
 226.7 notice of disqualification without possibility of postponement for administrative stay or
 226.8 administrative hearing and shall continue through completion unless and until the findings
 226.9 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
 226.10 The period for which sanctions are imposed is not subject to review. The sanctions provided
 226.11 under this subdivision are in addition to, and not in substitution for, any other sanctions that
 226.12 may be provided for by law for the offense involved. A disqualification established through
 226.13 hearing or waiver shall result in the disqualification period beginning immediately unless
 226.14 the person has become otherwise ineligible for assistance. If the person is ineligible for
 226.15 assistance, the disqualification period begins when the person again meets the eligibility
 226.16 criteria of the program from which they were disqualified and makes application for that
 226.17 program.

226.18 (b) A family receiving assistance through child care assistance programs under chapter
 226.19 119B with a family member who is found to be guilty of wrongfully obtaining child care
 226.20 assistance by a federal court, state court, or an administrative hearing determination or
 226.21 waiver, through a disqualification consent agreement, as part of an approved diversion plan
 226.22 under section 401.065, or a court-ordered stay with probationary or other conditions, is
 226.23 disqualified from child care assistance programs. The disqualifications must be for periods
 226.24 of one year and two years for the first and second offenses, respectively. Subsequent
 226.25 violations must result in permanent disqualification. During the disqualification period,
 226.26 disqualification from any child care program must extend to all child care programs and
 226.27 must be immediately applied.

226.28 (c) A provider caring for children receiving assistance through child care assistance
 226.29 programs under chapter 119B is disqualified from receiving payment for child care services
 226.30 from the child care assistance program under chapter 119B when the provider is found to
 226.31 have wrongfully obtained child care assistance by a federal court, state court, or an
 226.32 administrative hearing determination or waiver under section 256.046, through a

261.8 disqualification consent agreement, as part of an approved diversion plan under section
261.9 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
261.10 must be for a period of ~~one year~~ two years for the first offense ~~and two years for the second~~
261.11 ~~offense~~. Any subsequent violation must result in permanent disqualification. The
261.12 disqualification period must be imposed immediately after a determination is made under
261.13 this paragraph. During the disqualification period, the provider is disqualified from receiving
261.14 payment from any child care program under chapter 119B.

261.15 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
261.16 without children and upon federal approval, all categories of medical assistance and
261.17 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
261.18 state court or by an administrative hearing determination, or waiver thereof, through a
261.19 disqualification consent agreement, or as part of any approved diversion plan under section
261.20 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
261.21 is disqualified from that program. The period of disqualification is one year after the first
261.22 offense, two years after the second offense, and permanently after the third or subsequent
261.23 offense. The period of program disqualification shall begin on the date stipulated on the
261.24 advance notice of disqualification without possibility of postponement for administrative
261.25 stay or administrative hearing and shall continue through completion unless and until the
261.26 findings upon which the sanctions were imposed are reversed by a court of competent
261.27 jurisdiction. The period for which sanctions are imposed is not subject to review. The
261.28 sanctions provided under this subdivision are in addition to, and not in substitution for, any
261.29 other sanctions that may be provided for by law for the offense involved.

261.30 **EFFECTIVE DATE.** This section is effective April 23, 2018.

261.31 Sec. 36. Minnesota Statutes 2016, section 256E.30, subdivision 2, is amended to read:

226.33 disqualification consent agreement, as part of an approved diversion plan under section
226.34 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
227.1 must be for a period of ~~one year~~ two years for the first offense ~~and two years for the second~~
227.2 ~~offense~~. Any subsequent violation must result in permanent disqualification. The
227.3 disqualification period must be imposed immediately after a determination is made under
227.4 this paragraph. During the disqualification period, the provider is disqualified from receiving
227.5 payment from any child care program under chapter 119B.

227.6 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
227.7 without children and upon federal approval, all categories of medical assistance and
227.8 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
227.9 state court or by an administrative hearing determination, or waiver thereof, through a
227.10 disqualification consent agreement, or as part of any approved diversion plan under section
227.11 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
227.12 is disqualified from that program. The period of disqualification is one year after the first
227.13 offense, two years after the second offense, and permanently after the third or subsequent
227.14 offense. The period of program disqualification shall begin on the date stipulated on the
227.15 advance notice of disqualification without possibility of postponement for administrative
227.16 stay or administrative hearing and shall continue through completion unless and until the
227.17 findings upon which the sanctions were imposed are reversed by a court of competent
227.18 jurisdiction. The period for which sanctions are imposed is not subject to review. The
227.19 sanctions provided under this subdivision are in addition to, and not in substitution for, any
227.20 other sanctions that may be provided for by law for the offense involved.

227.21 **EFFECTIVE DATE.** This section is effective April 23, 2018.

HOUSE ART. 4, SEC. 43, SEE SENATE ART. 2, SEC. 25

HOUSE ART. 4, SEC. 44, SEE SENATE ART. 2, SEC. 28

HOUSE ART. 4, SEC. 45, SEE SENATE ART. 2, SEC. 34

HOUSE ART. 4, SEC. 46, SEE SENATE ART. 2, SEC. 36

HOUSE ART. 4, SEC. 47, SEE SENATE ART. 2, SEC. 35

HOUSE ART. 4, SEC. 48, SEE SENATE ART. 2, SEC. 38

HOUSE ART. 4, SEC. 49, SEE SENATE ART. 2, SEC. 41

261.32 Subd. 2. **Allocation of money.** (a) State money appropriated and community service
261.33 block grant money allotted to the state and all money transferred to the community service
261.34 block grant from other block grants shall be allocated annually to community action agencies
262.1 and Indian reservation governments under clauses (b) and (c), and to migrant and seasonal
262.2 farmworker organizations under clause (d).

262.3 (b) The available annual money will provide base funding to all community action
262.4 agencies and the Indian reservations. Base funding amounts per agency are as follows: for
262.5 agencies with low income populations up to ~~3,999~~ 1,999, \$25,000; ~~4,000~~ 2,000 to 23,999,
262.6 \$50,000; and 24,000 or more, \$100,000.

262.7 (c) All remaining money of the annual money available after the base funding has been
262.8 determined must be allocated to each agency and reservation in proportion to the size of
262.9 the poverty level population in the agency's service area compared to the size of the poverty
262.10 level population in the state.

262.11 (d) Allocation of money to migrant and seasonal farmworker organizations must not
262.12 exceed three percent of the total annual money available. Base funding allocations must be
262.13 made for all community action agencies and Indian reservations that received money under
262.14 this subdivision, in fiscal year 1984, and for community action agencies designated under
262.15 this section with a service area population of 35,000 or greater.

262.16 Sec. 37. Minnesota Statutes 2016, section 256J.24, subdivision 5, is amended to read:

262.17 Subd. 5. **MFIP transitional standard.** The MFIP transitional standard is based on the
262.18 number of persons in the assistance unit eligible for both food and cash assistance. The
262.19 amount of the transitional standard is published annually by the Department of Human
262.20 Services. The following table represents the cash portion of the transitional standard effective
262.21 March 1, 2018.

262.22 <u>Number of eligible people</u>	<u>Cash portion</u>
262.23 <u>1</u>	<u>\$263</u>
262.24 <u>2</u>	<u>\$450</u>
262.25 <u>3</u>	<u>\$545</u>
262.26 <u>4</u>	<u>\$634</u>
262.27 <u>5</u>	<u>\$710</u>

262.28	<u>6</u>	<u>\$786</u>
262.29	<u>7</u>	<u>\$863</u>
262.30	<u>8</u>	<u>\$929</u>
262.31	<u>9</u>	<u>\$993</u>
262.32	<u>10</u>	<u>\$1,048</u>
262.33	<u>Over 10</u>	<u>add \$56 for each additional eligible person</u>

263.1 Sec. 38. Minnesota Statutes 2016, section 256J.45, subdivision 2, is amended to read:

263.2 Subd. 2. **General information.** The MFIP orientation must consist of a presentation

263.3 that informs caregivers of:

263.4 (1) the necessity to obtain immediate employment;

263.5 (2) the work incentives under MFIP, including the availability of the federal earned

263.6 income tax credit and the Minnesota working family tax credit;

263.7 (3) the requirement to comply with the employment plan and other requirements of the

263.8 employment and training services component of MFIP, including a description of the range

263.9 of work and training activities that are allowable under MFIP to meet the individual needs

263.10 of participants;

263.11 (4) the consequences for failing to comply with the employment plan and other program

263.12 requirements, and that the county agency may not impose a sanction when failure to comply

263.13 is due to the unavailability of child care or other circumstances where the participant has

263.14 good cause under subdivision 3;

263.15 (5) the rights, responsibilities, and obligations of participants;

263.16 (6) the types and locations of child care services available through the county agency;

263.17 (7) the availability and the benefits of the early childhood health and developmental

263.18 screening under sections 121A.16 to 121A.19; 123B.02, subdivision 16; and 123B.10;

263.19 (8) the caregiver's eligibility for transition year child care assistance under section

263.20 119B.05;

232.22 Sec. 50. Minnesota Statutes 2016, section 256J.45, subdivision 2, is amended to read:

232.23 Subd. 2. **General information.** The MFIP orientation must consist of a presentation

232.24 that informs caregivers of:

232.25 (1) the necessity to obtain immediate employment;

232.26 (2) the work incentives under MFIP, including the availability of the federal earned

232.27 income tax credit and the Minnesota working family tax credit;

232.28 (3) the requirement to comply with the employment plan and other requirements of the

232.29 employment and training services component of MFIP, including a description of the range

232.30 of work and training activities that are allowable under MFIP to meet the individual needs

232.31 of participants;

233.1 (4) the consequences for failing to comply with the employment plan and other program

233.2 requirements, and that the county agency may not impose a sanction when failure to comply

233.3 is due to the unavailability of child care or other circumstances where the participant has

233.4 good cause under subdivision 3;

233.5 (5) the rights, responsibilities, and obligations of participants;

233.6 (6) the types and locations of child care services available through the county agency;

233.7 (7) the availability and the benefits of the early childhood health and developmental

233.8 screening under sections 121A.16 to 121A.19; 123B.02, subdivision 16; and 123B.10;

233.9 (8) the caregiver's eligibility for transition year child care assistance under section

233.10 119B.05;

263.21 (9) the availability of all health care programs, including transitional medical assistance;

263.22 (10) the caregiver's option to choose an employment and training provider and information
263.23 about each provider, including but not limited to, services offered, program components,
263.24 job placement rates, job placement wages, and job retention rates;

263.25 (11) the caregiver's option to request approval of an education and training plan according
263.26 to section 256J.53;

263.27 (12) the work study programs available under the higher education system; ~~and~~

263.28 (13) information about the 60-month time limit exemptions under the family violence
263.29 waiver and referral information about shelters and programs for victims of family violence;
263.30 and

263.31 (14) information about the income exclusions in section 256P.06, subdivision 2b.

264.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

264.2 Sec. 39. **[256N.261] SUPPORT FOR ADOPTIVE, FOSTER, AND KINSHIP**
264.3 **FAMILIES.**

264.4 Subdivision 1. **Program established.** The commissioner shall design and implement a
264.5 coordinated program to reduce the need for placement changes or out-of-home placements
264.6 of children and youth in foster care, adoptive placements, and permanent physical and legal
264.7 custody kinship placements, and to improve the functioning and stability of these families.
264.8 To the extent federal funds are available, the commissioner shall provide the following
264.9 adoption and foster care-competent services and ensure that placements are trauma-informed
264.10 and child and family-centered:

264.11 (1) a program providing information, referrals, a parent-to-parent support network, peer
264.12 support for youth, family activities, respite care, crisis services, educational support, and
264.13 mental health services for children and youth in adoption, foster care, and kinship placements
264.14 and adoptive, foster, and kinship families in Minnesota;

264.15 (2) training offered statewide in Minnesota for adoptive and kinship families, and training
264.16 for foster families, and the professionals who serve the families, on the effects of trauma,
264.17 common disabilities of adopted children and children in foster care, and kinship placements,
264.18 and challenges in adoption, foster care, and kinship placements; and

233.11 (9) the availability of all health care programs, including transitional medical assistance;

233.12 (10) the caregiver's option to choose an employment and training provider and information
233.13 about each provider, including but not limited to, services offered, program components,
233.14 job placement rates, job placement wages, and job retention rates;

233.15 (11) the caregiver's option to request approval of an education and training plan according
233.16 to section 256J.53;

233.17 (12) the work study programs available under the higher education system; ~~and~~

233.18 (13) information about the 60-month time limit exemptions under the family violence
233.19 waiver and referral information about shelters and programs for victims of family violence;
233.20 and

233.21 (14) information about the income exclusions under section 256P.06, subdivision 2.

233.22 **EFFECTIVE DATE.** This section is effective July 1, 2018.

233.23 Sec. 51. **[256N.261] SUPPORT FOR ADOPTIVE, FOSTER, AND KINSHIP**
233.24 **FAMILIES.**

233.25 Subdivision 1. **Program established.** The commissioner of human services shall design
233.26 and implement a coordinated program to reduce the need for placement changes or
233.27 out-of-home placements of children and youth in foster care, adoptive placements, and
233.28 permanent physical and legal custody kinship placements, and to improve the functioning
233.29 and stability of these families. To the extent federal funds are available, the commissioner
233.30 shall provide the following adoption and foster care-competent services and ensure that
233.31 placements are trauma informed and child and family-centered:

234.1 (1) a program providing information, referrals, a parent-to-parent support network, peer
234.2 support for youth, family activities, respite care, crisis services, educational support, and
234.3 mental health services for children and youth in adoption, foster care, and kinship placements
234.4 and adoptive, foster, and kinship families from across Minnesota;

234.5 (2) training offered around Minnesota for adoptive and kinship families, and additional
234.6 training for foster families, and the professionals who serve the families, on the effects of
234.7 trauma, common disabilities of adopted children and children in foster care, and kinship
234.8 placements, and challenges in adoption, foster care, and kinship placements; and

264.19 (3) periodic evaluation of these services to ensure program effectiveness in preserving
264.20 and improving the success of adoptive, foster, and kinship placements.

264.21 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

264.22 (b) "Child and family-centered" means individualized services that respond to a child's
264.23 or youth's strengths, interests, and current developmental stage, including social, cognitive,
264.24 emotional, physical, cultural, racial, and spiritual needs, and offer support to the entire
264.25 adoptive, foster, or kinship family.

264.26 (c) "Trauma-informed" means care that acknowledges the effect trauma has on children
264.27 and the children's families; modifies services to respond to the effects of trauma; emphasizes
264.28 skill and strength-building rather than symptom management; and focuses on the physical
264.29 and psychological safety of the child and family.

265.1 Sec. 40. Minnesota Statutes 2016, section 256P.06, subdivision 2, is amended to read:

265.2 Subd. 2. **Exempted individuals.** (a) The following members of an assistance unit under
265.3 chapters 119B and 256J are exempt from having their earned income count towards the
265.4 income of an assistance unit:

265.5 (1) children under six years old;

265.6 (2) caregivers under 20 years of age enrolled at least half-time in school; and

265.7 (3) minors enrolled in school full time.

265.8 (b) The following members of an assistance unit are exempt from having their earned
265.9 and unearned income count towards the income of an assistance unit for 12 consecutive
265.10 calendar months, beginning the month following the marriage date, for benefits under chapter
265.11 256J if the household income does not exceed 275 percent of the federal poverty guideline:

265.12 (1) a new spouse to a caretaker in an existing assistance unit; and

265.13 (2) the spouse designated by a newly married couple, both of whom were already
265.14 members of an assistance unit under chapter 256J.

265.15 (c) If members identified in paragraph (b) also receive assistance under section 119B.05,
265.16 they are exempt from having their earned and unearned income count towards the income
265.17 of the assistance unit if the household income prior to the exemption does not exceed 67

234.9 (3) periodic evaluation of these services to ensure program effectiveness in preserving
234.10 and improving the success of adoptive, foster, and kinship placements.

234.11 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

234.12 (b) "Child and family-centered" means individualized services that respond to a child's
234.13 or youth's strengths, interests, and current developmental stage, including social, cognitive,
234.14 emotional, physical, cultural, racial, and spiritual needs, and offer support to the entire
234.15 adoptive, foster, or kinship family.

234.16 (c) "Trauma-informed" means care that acknowledges the effect trauma has on children
234.17 and the children's families; modifies services to respond to the effects of trauma; emphasizes
234.18 skill and strength-building rather than symptom management; and focuses on the physical
234.19 and psychological safety of the child and family.

234.20 Sec. 52. Minnesota Statutes 2016, section 256P.06, subdivision 2, is amended to read:

234.21 Subd. 2. **Exempted individuals.** (a) The following members of an assistance unit under
234.22 chapters 119B and 256J are exempt from having their earned income count towards the
234.23 income of an assistance unit:

234.24 (1) children under six years old;

234.25 (2) caregivers under 20 years of age enrolled at least half-time in school; and

234.26 (3) minors enrolled in school full time.

234.27 (b) The following members of an assistance unit are exempt from having their earned
234.28 and unearned income count toward the income of an assistance unit for 18 consecutive
234.29 calendar months, beginning the month following the marriage date, for benefits under chapter
234.30 256J if the household income does not exceed 275 percent of the federal poverty guidelines:

234.31 (1) a new spouse to a caretaker in an existing assistance unit; and

235.1 (2) the spouse designated by a newly married couple, when both spouses were already
235.2 members of an assistance unit under chapter 256J.

235.3 (c) If members of an assistance unit identified in paragraph (b) also receive assistance
235.4 under section 119B.05, they are exempt from having their earned income count toward the
235.5 income of the assistance unit if the household income prior to the exemption does not exceed

265.18 percent of the state median income for recipients for 26 consecutive biweekly periods
265.19 beginning the second biweekly period after the marriage date.

265.20 **EFFECTIVE DATE.** This section is effective July 1, 2018.

265.21 Sec. 41. Minnesota Statutes 2016, section 260C.451, subdivision 6, is amended to read:

265.22 Subd. 6. **Reentering foster care and accessing services after 18 years of age and up**
265.23 **to 21 years of age.** (a) Upon request of an individual who had been under the guardianship
265.24 of the commissioner and who has left foster care without being adopted, the responsible
265.25 social services agency which had been the commissioner's agent for purposes of the
265.26 guardianship shall develop with the individual a plan to increase the individual's ability to
265.27 live safely and independently using the plan requirements of section 260C.212, subdivision
265.28 1, paragraph (c), clause (12), and to assist the individual to meet one or more of the eligibility
265.29 criteria in subdivision 4 if the individual wants to reenter foster care. The responsible social
265.30 services agency shall provide foster care as required to implement the plan. The responsible
265.31 social services agency shall enter into a voluntary placement agreement under section
265.32 260C.229 with the individual if the plan includes foster care.

266.1 (b) Individuals who had not been under the guardianship of the commissioner of human
266.2 services prior to 18 years of age may ask to reenter foster care after age 18 and, ~~to the extent~~
266.3 ~~funds are available~~, the responsible social services agency that had responsibility for planning
266.4 for the individual before discharge from foster care ~~may~~ shall provide foster care or other
266.5 services to the individual for the purpose of increasing the individual's ability to live safely
266.6 and independently and to meet the eligibility criteria in subdivision 3a, if the individual:

266.7 (1) was in foster care for the six consecutive months prior to the person's 18th birthday,
266.8 or left foster care within six months prior to the person's 18th birthday, and was not
266.9 discharged home, adopted, or received into a relative's home under a transfer of permanent
266.10 legal and physical custody under section 260C.515, subdivision 4; or

266.11 (2) was discharged from foster care while on runaway status after age 15.

266.12 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
266.13 other appropriate persons, the responsible social services agency shall develop a specific
266.14 plan related to that individual's vocational, educational, social, or maturational needs and;
266.15 ~~to the extent funds are available~~, provide foster care as required to implement the plan. The
266.16 responsible social services agency shall enter into a voluntary placement agreement with
266.17 the individual if the plan includes foster care.

266.18 (d) A child who left foster care while under guardianship of the commissioner of human
266.19 services retains eligibility for foster care for placement at any time prior to 21 years of age.

235.6 67 percent of the state median income for recipients under section 119B.05 for 39 consecutive
235.7 biweekly periods beginning the second biweekly period after the marriage date.

235.8 **EFFECTIVE DATE.** This section is effective July 1, 2018.

235.9 Sec. 53. Minnesota Statutes 2016, section 260C.451, subdivision 6, is amended to read:

235.10 Subd. 6. **Reentering foster care and accessing services after 18 years of age and up**
235.11 **to 21 years of age.** (a) Upon request of an individual who had been under the guardianship
235.12 of the commissioner and who has left foster care without being adopted, the responsible
235.13 social services agency which had been the commissioner's agent for purposes of the
235.14 guardianship shall develop with the individual a plan to increase the individual's ability to
235.15 live safely and independently using the plan requirements of section 260C.212, subdivision
235.16 1, paragraph (c), clause (12), and to assist the individual to meet one or more of the eligibility
235.17 criteria in subdivision 4 if the individual wants to reenter foster care. The responsible social
235.18 services agency shall provide foster care as required to implement the plan. The responsible
235.19 social services agency shall enter into a voluntary placement agreement under section
235.20 260C.229 with the individual if the plan includes foster care.

235.21 (b) Individuals who had not been under the guardianship of the commissioner of human
235.22 services prior to 18 years of age may ask to reenter foster care after age 18 and, ~~to the extent~~
235.23 ~~funds are available~~, the responsible social services agency that had responsibility for planning
235.24 for the individual before discharge from foster care ~~may~~ shall provide foster care or other
235.25 services to the individual for the purpose of increasing the individual's ability to live safely
235.26 and independently and to meet the eligibility criteria in subdivision 3a, if the individual:

235.27 (1) was in foster care for the six consecutive months prior to the person's 18th birthday,
235.28 or left foster care within six months prior to the person's 18th birthday, and was not
235.29 discharged home, adopted, or received into a relative's home under a transfer of permanent
235.30 legal and physical custody under section 260C.515, subdivision 4; or

235.31 (2) was discharged from foster care while on runaway status after age 15.

235.32 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
235.33 other appropriate persons, the responsible social services agency shall develop a specific
236.1 plan related to that individual's vocational, educational, social, or maturational needs and;
236.2 ~~to the extent funds are available~~, provide foster care as required to implement the plan. The
236.3 responsible social services agency shall enter into a voluntary placement agreement with
236.4 the individual if the plan includes foster care.

236.5 (d) A child who left foster care while under guardianship of the commissioner of human
236.6 services retains eligibility for foster care for placement at any time prior to 21 years of age.

HOUSE ART. 4, SEC. 54, SEE SENATE ART. 9, SEC. 8

266.20 Sec. 42. Minnesota Statutes 2016, section 626.556, subdivision 10j, is amended to read:

266.21 Subd. 10j. **Release of data to mandated reporters.** (a) A local social services or child
266.22 protection agency, or the agency responsible for assessing or investigating the report of
266.23 maltreatment or for providing child protective services, shall provide relevant private data
266.24 on individuals obtained under this section to a mandated reporter who made the report and
266.25 who has an ongoing responsibility for the health, education, or welfare of a child affected
266.26 by the data, unless the agency determines that providing the data would not be in the best
266.27 interests of the child. The agency may provide the data to other mandated reporters with
266.28 ongoing responsibility for the health, education, or welfare of the child. Mandated reporters
266.29 with ongoing responsibility for the health, education, or welfare of a child affected by the
266.30 data include the child's teachers or other appropriate school personnel, foster parents, health
266.31 care providers, respite care workers, therapists, social workers, child care providers,
266.32 residential care staff, crisis nursery staff, probation officers, and court services personnel.
266.33 Under this section, a mandated reporter need not have made the report to be considered a
266.34 person with ongoing responsibility for the health, education, or welfare of a child affected
267.1 by the data. Data provided under this section must be limited to data pertinent to the
267.2 individual's responsibility for caring for the child.

267.3 (b) A reporter who receives private data on individuals under this subdivision must treat
267.4 the data according to that classification, regardless of whether the reporter is an employee
267.5 of a government entity. The remedies and penalties under sections 13.08 and 13.09 apply
267.6 if a reporter releases data in violation of this section or other law.

267.7 Sec. 43. **MINNESOTA BIRTH TO EIGHT PILOT PROJECT.**

267.8 Subdivision 1. **Authorization.** The commissioner of human services shall award a grant
267.9 to Dakota County to develop and implement pilots that will evaluate the impact of a
267.10 coordinated systems and service delivery approach on key developmental milestones and
267.11 outcomes that ultimately lead to reading proficiency by age eight within the target population.
267.12 The pilot program is from July 1, 2017, to June 30, 2021.

267.13 Subd. 2. **Pilot design and goals.** The pilot will establish five key developmental milestone
267.14 markers from birth to age eight. Enrollees in the pilot will be developmentally assessed and
267.15 tracked by a technology solution that tracks developmental milestones along the established
267.16 developmental continuum. If a child's progress falls below established milestones and the
267.17 weighted scoring, the coordinated service system will focus on identified areas of concern,
267.18 mobilize appropriate supportive services, and offer services to identified children and their
267.19 families.

267.20 Subd. 3. Program participants in phase 1 target population. Pilot program participants
267.21 must:

267.22 (1) be enrolled in a Women's Infant & Children (WIC) program;

267.23 (2) be participating in a family home visiting program, or nurse family practice, or
267.24 Healthy Families America (HFA);

267.25 (3) be children and families qualifying for and participating in early language learners
267.26 (ELL) in the school district in which they reside; and

267.27 (4) be voluntarily willing to participate in the pilot.

267.28 Subd. 4. Evaluation and report. The county or counties shall work with a third-party
267.29 evaluator to evaluate the effectiveness of the pilot and report back to the legislature each
267.30 year by February 1 with an update on the progress of the pilot. The final report on the pilot
267.31 is due January 1, 2022.

268.1 Sec. 44. MINNESOTA PATHWAYS TO PROSPERITY PILOT PROJECT.

268.2 Subdivision 1. Authorization. The commissioner of human services may develop a
268.3 pilot that will test an alternative financing model for the distribution of publicly funded
268.4 benefits. The commissioner may work with interested counties to develop the pilot and
268.5 determine the waivers that are necessary to implement the pilot program based on the pilot
268.6 design in subdivisions 2 and 3, and outcome measures in subdivision 4.

268.7 Subd. 2. Pilot program design and goals. The pilot program must reduce the historical
268.8 separation between the state funds and systems affecting families who are receiving public
268.9 assistance. The pilot program shall eliminate, where possible, funding restrictions to allow
268.10 a more comprehensive approach to the needs of the families in the pilot program, and focus
268.11 on upstream, prevention-oriented supports and interventions.

268.12 Subd. 3. Program participants. Pilot program participants must:

268.13 (1) be 26 years of age or younger with a minimum of one child;

268.14 (2) voluntarily agree to participate in the pilot program;

237.19 Sec. 56. MINNESOTA PATHWAYS TO PROSPERITY DAKOTA AND OLMTSTED
237.20 COUNTIES' PILOT PROJECT.

237.21 Subdivision 1. Authorization. The commissioners of human services, health, education,
237.22 Minnesota Housing Finance Agency, and management and budget, and hereinafter, the
237.23 executive branch team, shall work together with Dakota and Olmsted Counties, and other
237.24 interested stakeholders, to consider the design of a pilot that tests an alternative financing
237.25 model for the distribution of publicly funded benefits in Dakota and Olmsted Counties.

237.26 Subd. 2. Pilot project design and goals. The goals of the pilot project are to reduce the
237.27 historical separation between the state funds and systems affecting families who are receiving
237.28 public assistance. The pilot project shall eliminate, where possible, funding restrictions to
237.29 allow a more comprehensive approach to the needs of the families in the pilot project, and
237.30 focus on upstream, prevention-oriented supports and interventions.

238.1 Subd. 3. Executive team work. When planning a potential pilot project, the executive
238.2 branch team must consider whether a pilot project participant:

238.3 (1) is 26 years of age or younger with a minimum of one child;

238.4 (2) voluntarily agrees to participate in the pilot project;

268.15 (3) ~~be~~ eligible for, applying for, or receiving public benefits including but not limited
268.16 to housing assistance, education supports, employment supports, child care, transportation
268.17 supports, medical assistance, earned income tax credit, or the child care tax credit; and

268.18 (4) ~~be~~ enrolled in an education program that is focused on obtaining a career that will
268.19 likely result in a livable wage.

268.20 Subd. 4. **Outcomes.** The outcomes measures for the pathways to prosperity include:

268.21 (1) improvement in the affordability, safety, and permanence of suitable housing;

268.22 (2) improvement in family functioning and stability, including in the areas of behavioral
268.23 health, incarceration, involvement with the child welfare system, or equivalent indicators;

268.24 (3) secure educational gains for parent and specifically for children from early childhood
268.25 through high school, including absentee reduction, preschool readiness scores, third grade
268.26 reading competency, graduation, GPA, and standardized test improvement;

268.27 (4) improvement in attachment to the workforce of one or both adults, including enhanced
268.28 job stability; wage gains; career advancement; progress in career preparation; or an equivalent
268.29 combination of these or related measures; and

268.30 (5) improvement in health access and health outcomes for parents and children.

269.1 Sec. 45. **INDIAN CHILD WELFARE ACT COMPLIANCE SYSTEM REVIEW.**

269.2 By February 1, 2018, the commissioner of human services shall report back to the
269.3 legislature on a system for the review of cases reported by counties for aid payments under
269.4 Minnesota Statutes, section 477A.0126, for compliance with the Indian Child Welfare Act
269.5 and the Minnesota Indian Family Preservation Act. The proposed case review system may
269.6 include, but is not limited to, the cases to be reviewed, the criteria to be reviewed to
269.7 demonstrate compliance with the Indian Child Welfare Act and the Minnesota Indian Family
269.8 Preservation Act, the rate of noncompliance, and training.

238.5 (3) ~~is~~ eligible for, applying for, or receiving public benefits including but not limited to
238.6 housing assistance, education supports, employment supports, child care, transportation
238.7 supports, medical assistance, earned income tax credit, or the child care tax credit; and

238.8 (4) ~~is~~ enrolled in an education program that is focused on obtaining a career that will
238.9 likely result in a livable wage.

236.24 Sec. 55. **MOBILE FOOD SHELF GRANTS.**

236.25 Subdivision 1. **Grant amount.** Hunger Solutions shall award grants on a priority basis
236.26 under subdivision 3. A grant to sustain an existing mobile program shall not exceed \$25,000.
236.27 A grant to create a new mobile program shall not exceed \$75,000.

- 236.28 Subd. 2. **Application contents.** An applicant for a grant under this section must provide
236.29 the following information to Hunger Solutions:
- 236.30 (1) the location of the project;
- 236.31 (2) a description of the mobile program, including the program's size and scope;
- 237.1 (3) evidence regarding the unserved or underserved nature of the community in which
237.2 the project is to be located;
- 237.3 (4) evidence of community support for the project;
- 237.4 (5) the total cost of the project;
- 237.5 (6) the amount of the grant request and how funds will be used;
- 237.6 (7) sources of funding or in-kind contributions for the project that may supplement any
237.7 grant award;
- 237.8 (8) the applicant's commitment to maintain the mobile program; and
- 237.9 (9) any additional information requested by Hunger Solutions.
- 237.10 Subd. 3. **Awarding grants.** In evaluating applications and awarding grants, Hunger
237.11 Solutions must give priority to an applicant who:
- 237.12 (1) serves unserved or underserved areas;
- 237.13 (2) creates a new mobile program or expands an existing mobile program;
- 237.14 (3) serves areas where a high level of need is identified;
- 237.15 (4) provides evidence of strong support for the project from residents and other institutions
237.16 in the community;
- 237.17 (5) leverages funding for the project from other private and public sources; and
- 237.18 (6) commits to maintaining the program on a multiyear basis.
- 238.10 Sec. 57. **CHILD CARE CORRECTION ORDER POSTING GUIDELINES.**

269.9 Sec. 46. REPEALER.

269.10 Minnesota Statutes 2016, sections 13.468; and 256J.626, subdivision 5, are repealed.

238.11 No later than November 1, 2017, the commissioner shall develop guidelines for posting
238.12 public licensing data for licensed child care programs. In developing the guidelines, the
238.13 commissioner shall consult with stakeholders, including licensed child care center providers,
238.14 family child care providers, and county agencies.

238.15 Sec. 58. **DIRECTION TO COMMISSIONER; GROUP RESIDENTIAL HOUSING**
238.16 **STUDY.**

238.17 Within available appropriations, the commissioner of human services shall study the
238.18 group residential housing supplementary service rates under Minnesota Statutes, section
238.19 256I.05, and make recommendations on the supplementary service rate structure to the
238.20 chair and ranking minority members of the legislative committees with jurisdiction over
238.21 human services policy and finance by January 15, 2018.

238.22 Sec. 59. REPEALER.

238.23 (a) Minnesota Statutes 2016, sections 179A.50; 179A.51; 179A.52; and 179A.53, are
238.24 repealed.

238.25 (b) Minnesota Statutes 2016, sections 119B.16, subdivision 2; 245E.03, subdivision 3;
238.26 and 245E.06, subdivisions 4 and 5, and Minnesota Rules, part 3400.0185, subpart 5, are
238.27 repealed effective April 23, 2018.